

## **ALAMEDA COUNTY’S GENERAL SERVICES AGENCY TOO OFTEN FAILS AT CAPITAL PROJECT MANAGEMENT**

### **EXECUTIVE SUMMARY**

Alameda County’s General Services Agency (GSA) is responsible for supporting county operations by maintaining county-owned buildings, managing the county purchasing and procurement services and its motor vehicle fleet, and helping other departments contract for goods and services.

In Alameda County, GSA is also responsible for delivering capital improvement projects to other county agencies through its Capital Programs Department (Capital Programs) by planning, designing, and constructing county-owned buildings. GSA’s procurement group works with its Capital Programs staff to find qualified designers and contractors to build projects in compliance with California codes and regulations and with county policies.

The grand jury’s interest in GSA-managed capital projects came about as a result of our annual tour of Santa Rita Jail in Dublin. During the tour, the grand jury questioned jail staff about the timelines and delivery method of major projects, including those related to inmate and employee safety and security. The grand jury learned that these projects, along with others—some mandated by court orders—have been in the works for years and are caught in a quagmire of delays and cost overruns.

The grand jury examined how GSA manages these projects and if the problem with delays was unique to the complexities of jail construction. The grand jury reached out to multiple county departments, GSA administrators, and elected leaders to gain insight into why capital projects within county government move so slowly.

As a result of our investigation, the grand jury found that many Alameda County projects, exemplified by long-delayed Santa Rita Jail projects, suffered from project management failures which contributed greatly to delays and cost overruns. Over the past decade, GSA faced a significant exodus of its professional staff and in its efforts to reorganize did not replace them. This resulted in overworked staff with insufficient guidance, poor training, and few policies to guide them. It left its clients (various departments of county government) feeling left out of the process and not understanding why their key capital projects stalled and costs skyrocketed.

The grand jury determined that GSA’s mismanagement of planning and constructing capital projects potentially cost the county millions. We suggest steps GSA can take to improve its capital project management:

- Implement a staff retention strategy
- Improve training in project management
- Begin a disciplined project planning system
- Make client communication and coordination a priority

## BACKGROUND

GSA is a county agency headed by a director who reports to the Alameda County Board of Supervisors (BOS) in coordination with the county administrator. The county’s final budget for Fiscal Year (FY) 2020 authorized 427 full-time equivalent positions in GSA, of which 104 (24%) were management positions. Most other GSA positions—313 (or 73%) of the 427—are in the Building Maintenance Department. Other departments include Capital Programs, Real Property Management, and Procurement. Approximately five project managers and one architect are currently assigned to the Capital Programs department.



*Alameda County Administration Bldg.*

Capital Programs provides professional program, project, and management services to all county agencies. These services include feasibility studies, capital project design, project budget estimates, and construction management, among others. Capital improvement projects are generally new or replacement buildings or facilities, or major renovations of existing buildings. Sometimes a requesting department plans and designs its own improvements, often with the help of consultants, then turns that information over to GSA’s procurement staff to manage the public bidding and contract award process. In other cases, GSA staff manage the entire project through design, contracting, and construction, often with the help of outside consultants and contractors.

To plan for future repairs and replacement of county facilities, GSA is preparing two master plans: A Facilities Condition Assessment and an update to the 2009 Real Estate Master Plan. The aim of these documents is to provide up-to-date direction and investment justification for county decision-makers and the public. For example, the Facilities Condition Assessment will identify needed maintenance, repairs, and replacement strategies for county-owned or leased facilities and help set spending priorities according to life-safety and other criteria. The Capital

Programs group and other county agencies will depend on this up-to-date information for their departmental work plans and capital budget decisions.

The grand jury received comments from multiple sources from throughout the county that capital projects managed by GSA often encountered substantial delays and cost overruns. This prompted the grand jury to investigate further.

## INVESTIGATION

The grand jury interviewed multiple elected county officials and current and former employees of several county departments, including GSA. The grand jury also examined on-line county budgets, board of supervisors meeting agendas and minutes, requests for design services and construction bids, and other relevant documents.<sup>1</sup>

Throughout our investigation, the same GSA-related issues cropped up repeatedly:

- Poor communication with client departments in the county
- Inconsistent responsiveness of GSA project managers and procurement staff
- Some GSA staff unfamiliar with state and local codes, policies, and procedures
- Delays with procurement (e.g., cancelled requests for services and construction bids)
- Cost overruns
- The need to return to the BOS for repeated bids and budget overruns
- Management disengagement when difficulties occur with capital projects

We investigated three capital projects managed by GSA at Santa Rita Jail: a security system upgrade, Americans with Disabilities Act (ADA) improvements, and a new mental health and medical building. These were emblematic of GSA capital project management and showed the scale of the problem as well as possible solutions. Projects for other county departments that experienced management problems were also investigated.

---

<sup>1</sup> *The difficulty of finding relevant documents on the county website (acgov.org) hampered our investigation. The website does not allow the public to search all county departments using the home page search feature or to search for terms within written reports such as BOS agendas, attachments, presentations, and minutes.*

*The security technology, including the video camera system, is long past its useful life and parts are difficult to obtain. Numerous lawsuits against the county could be resolved and even prevented with a robust video camera system. Eight years after its initial request to GSA, the sheriff's office was so frustrated that it purchased and installed in limited areas a retail video camera system from Costco.*

### Santa Rita Jail Security System Upgrade

The Santa Rita Jail Security System Upgrade, also known as the Network Infrastructure Upgrade, was initiated in 2008 but construction is still not complete 12 years later. This is a high priority project because it involves life-safety issues for both inmates and staff.

The current jail, opened in 1989, is one of the largest county jails in California with capacity to accommodate approximately 4,000 inmates. Its security technology, including the video camera system, is long past its useful life and parts are difficult to obtain.<sup>2</sup> Numerous lawsuits against the county have resulted from complaints relating to inmate and staff conduct, many of which could be resolved and even prevented with a robust video camera system. In 2016, after allegations that staff had encouraged prisoners to throw bodily fluids at other prisoners, the sheriff demanded that GSA expedite the delayed project.

At that time, eight years after its initial request to GSA, the sheriff's office was so frustrated that it purchased and installed in limited areas a retail video camera system from Costco.

In 2008 GSA hired a consultant to determine the necessary security upgrades and estimate the cost. However, the \$24 million project was not added to the county's Capital Improvement Plan until 2012, with plans to finish construction by 2016. The project did not proceed as planned and the cost estimate rose by 40% to \$33.7 million. In 2016 GSA decided to change its contracting strategy by combining the security improvements with other jail projects, but later changed direction again. Between 2017 and 2018 GSA hired a firm to manage the project's construction and split the security work into phases to prioritize the camera installation. The 2019 camera construction bids were rejected because a GSA staff member inappropriately communicated with applicants during the bidding process. A construction contract was finally approved in December 2019.

---

<sup>2</sup> A joint letter from the GSA Director and the Alameda County Sheriff (GSA's client) to the BOS in 2012 emphasized the urgency of the security improvements: "As the system continues to age, the seriousness of the malfunctions may worsen and could result in further operational impacts, require ongoing budgetary expenditures, and create serious compromises in the safety of staff and inmates."

**TABLE 1. Chronology of GSA Management of Santa Rita Jail Security System Upgrade**

2008	GSA requested that the BOS authorize a contract with a consultant to assess the existing security system, determine the necessary retrofit or upgrade, and estimate the cost.
2009	The consultant submitted a final assessment report.
2012	GSA requested that the BOS add the security upgrade project to the county's FY2011–2016 Capital Improvement Plan as an approved project and issue a public request for project design services. The total budget of the multi-phase jail security project was estimated at \$24 million. GSA set no targeted completion date.
2013	The BOS approved a contract to design improvements to the aging security system. GSA staff projected that construction would be completed by late summer 2016.
2015	GSA reported in the Capital Improvement Plan that design was completed and procurement of construction bids was underway with completion of the project's first phase scheduled for 2017. The budget was still \$24 million but only \$2.5 million was funded.
2016	GSA's budget estimate rose to \$33.7 million, with a "to be determined" construction start date. GSA decided to combine these upgrades with two other jail projects (ADA upgrades and construction of medical and mental health buildings) "to optimize economies of scale and cost savings associated with coordinated delivery of three projects in a single building program." This further delayed the construction bidding process, but GSA proposed a Request for Qualifications covering all three projects to ensure that prospective contractors were qualified and compliant with county policies.
2017	GSA staff requested bids for project and construction management services for the security upgrade and medical and mental health buildings, along with another project; the ADA work was excluded. Scheduled completion of the security upgrades was changed to late 2021: 13 years and counting from when GSA first began this jail security work.
2018	The BOS awarded a \$1 million contract for project and construction management services during phase one of the security upgrade. GSA staff issued a Request for Pre-Qualification for contractors to bid on construction of phase one to install new cameras and microphones in five housing unit areas and in the jail's intake and release area, and related work. The budget for this phase was not to exceed \$2.4 million with construction completion scheduled for January 2019. GSA reported in the Capital Improvement Plan that construction would start in summer 2018 with completion of all phases in summer 2022.
2019	GSA recommended that the BOS reject all bids for phase one construction because a bid protest revealed that GSA staff had inappropriately communicated with applicants during the bidding process. The project was later re-bid, and the BOS awarded a \$1.83 million phase one contract for camera replacement on December 17, 2019.
2020	GSA anticipates awarding a design-build contract in summer 2020 for the remainder of the security work (phase two), which will be a more complex project than phase one.

Given the urgent need for the security improvements, it is irresponsible for GSA to have allowed this project to languish for so long, with numerous starts and stops and little real progress for over a decade. Meanwhile, lawsuits, law enforcement and community complaints persisted. There were many causes for the delays, including poor training and practices. At times, the project needed GSA leadership, but no one took on that responsibility. As time passed, costs increased and GSA managers were reluctant to ask the BOS for more money, so the project was split into smaller pieces and phased, so that some portions could be completed using the limited funding already allocated.

### Santa Rita Jail—Americans with Disabilities Act (ADA) Upgrades

In a 2016 lawsuit settlement, the county agreed to make \$21.6 million in improvements by December 2019 to ensure Santa Rita Jail was accessible for disabled persons. Now, four years since the court approved the settlement, there is still no definitive timetable regarding completion of this GSA project—a project rife with miscommunication and poor project management decisions.

An attempt to bid a part of the project failed because GSA did not pre-qualify contractors for compliance with county requirements and ended up with a single non-responsive (unqualified) bid. GSA had to start over with a new bidding process. GSA re-bid the project with pre-qualification requirements for all bidders and awarded a contract in 2018. Senior county staff testified that some vendors initially selected did not have detention facility experience, which also caused delays.

The sheriff's office became frustrated with the progress of the job and the poor communication by the GSA project manager. At one point, a portion of the project was built and later had to be torn out due to design problems. The grand jury heard testimony that a contractor was told not to speak with sheriff's office employees who were inquiring about specifications that might not meet jail standards. The grand jury learned that GSA project management had been reassigned to different staff multiple times and proceeded for some time with no manager at all.

*According to one witness, this project lost focus in its early years due to project manager turnover at GSA and lack of continuity with little or no transfer of project history and status to new project managers.*

Including the initial bid rejection, this project has been under GSA's management for two and a half years and GSA still cannot say when it will be completed.

### Santa Rita Jail Health Program and Services Unit

A project to build a new mental health and medical building at Santa Rita Jail was awarded state grant funds in 2015. The grant would cover up to 88% of the \$61.6 million project and

help pay for construction of a building to house OB/GYN medical facilities, inmate counseling, and behavioral and medical health care services, as well as classrooms that would increase inmate access to re-entry services provided by community-based organizations and case managers.

According to one witness, this project lost focus in its early years due to project manager turnover at GSA and lack of continuity with little or no transfer of project history and status to new project managers. GSA staff and the sheriff's office initially disagreed on the project site, with GSA suggesting a location so close to existing inmate facilities it would have required additional infrastructure work.

### Other Delayed Projects

- The Santa Rita Jail nurses' station was not compliant with federal standards for patient privacy. As a result, the sheriff's office submitted a request to GSA in 2016 for minor upgrades. The project was added to the FY2017–18 Capital Improvement Plan with a budget of \$220,000. Inexplicably, GSA project managers allowed the original plans to fall short of detention-facility construction standards, resulting in the need to redesign and restart the project. The delays increased the construction estimates to \$506,000, forcing the department to seek reauthorization from the BOS. Unfortunately, the lowest bid of \$774,000 exceeded GSA's revised estimate by 53%, so GSA and the sheriff were obliged to return to the BOS seven months later for yet another approval for additional funds. Delays and project mismanagement resulted in a 250% increase over the original budgeted amount and prolonged a one-year project into a three-year project.
- The Alameda County Fire Department's new Cherryland fire station replacement was initially budgeted at \$6.6 million when it was first proposed in 2013, but ended up costing \$12.2 million upon completion in 2017, an 85% increase over the original estimate. Other fire stations need to be rebuilt throughout the county, but one witness testified about concerns that GSA planning and management would not be up to the job when funding is eventually secured. A witness noted that the original 2018 estimate of \$97 million to rebuild six fire stations and a training center was increased by GSA a year later to \$150 million due to incorrect information provided by the GSA project manager to the consultant.
- A project at the Alameda County Sheriff's Regional Training Center in Dublin was delayed for eight months in 2017 due to GSA's insistence that a storm water pollution plan be prepared before proceeding with the project. However, the project architect ultimately determined that the plan was not necessary. A witness testified that this controversy occurred in part because GSA staff admitted that they had not read the architect's report.

*The Capital Programs group lost five senior project managers and architects, representing a 63% reduction. Four staff remained to handle 24 capital projects totaling \$1.1 billion.*

### Complaints About Staffing and Management

Numerous witnesses mentioned the inconsistent quality of work by some within the Capital Programs and Procurement groups at GSA. One witness stated that county departments expect technical competence and customer service from GSA, but perceives that certain staff too often were unresponsive and unconcerned with timelines. Another witness testified that a project was not assigned to a GSA staff person and, as a result, was ultimately abandoned by the requesting department due to delays. Witnesses ascribed these and similar failures over the last several years to a number of factors:

- *Staff turnover.* Turnover is especially high in the Capital Programs group partly due to economics (better pay elsewhere), dissatisfaction with management, and retirements. A January 2020 report from GSA requesting the BOS’ retroactive approval of temporary staffing assistance noted that in July–October 2018, the Capital Programs group lost five senior project managers and architects, representing a 63% reduction. Four staff remained to handle 24 capital projects totaling \$1.1 billion. To compound these problems, project managers are sometimes reassigned during a project, which leads to delays in scheduling while the client department helps the new manager get up to speed. These internal obstacles lead to overworked employees and further loss of talent. New undertrained staff are forced to cobble together project management strategies that can lead to mistakes, delays, and skyrocketing costs.
- *Staff experience.* GSA is reevaluating the project management team, with a move away from architect project managers to construction managers, who have different levels of education and experience. The number of licensed architects in Capital Programs fell from six a few years ago to just one in February 2020. By comparison, San Francisco Public Works, which handles their capital projects, employs over 80 architects. GSA now relies on outside consultants to estimate costs, design improvements, and manage construction.

*Departments using GSA’s services claim they were not being treated like clients of GSA and consistently perceived that GSA staff and management were not taking ownership of some projects.*

The apparent inexperience of some GSA procurement staff was brought up by most of the witnesses. A senior manager testified



that the average tenure of GSA procurement staff is short; at one point it was only 2.5 years. Inexperience often resulted in delays in preparing and advertising requests for proposals from consultants and contractors to bid for design and construction services.

- *Lack of supervision and oversight.* Many witnesses recommended that staff be better supervised and trained in the technical aspects of their jobs and learn more about the needs of their client departments. It appeared to some witnesses that staff were not adequately trained in GSA's policies and procedures and in state and local building codes. Closer supervision of staff and management oversight of the entire operation is recommended. Some client departments are encouraged by a recent GSA management hire.
- *Management decision-making.* Departments using GSA's services claim they were not being treated like clients of GSA and consistently perceived that GSA staff and management were not taking ownership of some projects. Witnesses complained about too many management layers within GSA, and a sense that the real decision-makers were not accessible, causing disagreements and delay at the staff level. One witness emphasized that GSA management should step in to push important projects forward to prevent them from lagging.
- *Cost overruns.* Witnesses expressed concerns about cost overruns on GSA managed projects. Some departments have the perception that GSA is not always cost conscious and does not attempt to find more economical alternatives. For example, the sheriff's office sought to expand its educational facilities at Santa Rita Jail by adding two additional portable classrooms. GSA proposed a design-build project at a cost of \$793,000. The sheriff's office rejected the proposal and instead purchased two used portable classrooms at the cost of \$80,000. While these portable buildings did not have the restroom facilities of the GSA project, the sheriff's office was able to move forward at a huge savings with additional facilities to expand inmates' educational needs.
- *Insufficient as-needed contracts.* Contributing to unnecessary delays, GSA admitted that it did not have a sufficient number of as-needed (on-call) contracts in place with prequalified contractors and consultants for planning, design, and environmental expertise. These types of contracts are both commonplace and essential in the capital projects world. Rather than quickly reaching out to an expert who is already contracted to provide design or other specialized expertise as needed, the department must too often issue bids for the work on each individual project, causing extensive delays. The grand jury was told that GSA made two or three failed attempts in the past five years to issue requests for as-needed architects and engineers. The most recent solicitation for as-needed architectural and engineering services is currently (April 2020) on the county's website.



1111 Jackson Street, Oakland

- *Lack of updated master plans.* Master planning helps prioritize upcoming projects and improve decision-making efficiency. Adopted plans would allow the Capital Programs group to initiate feasibility studies and design so that projects are shovel-ready when construction funding becomes available. It is encouraging that GSA is updating the 11-year-old Facilities Condition Assessment and the 2009 Real Estate Master Plan. However, such plans need to be updated more often to guide capital acquisitions and leasing. For example, the Real Estate Master Plan excluded 1111 Jackson Street from consideration and the county vacated its leased offices there. Yet, the county decided to purchase the building the following year and remodeled it to accommodate the Alameda County Probation and Social Services departments before discovering that the presence of a school nearby prevented probation services from using the building.

The county also purchased the Arena Center/Zhone properties on Oakport Street in Oakland for \$32.5 million in 2014 to use for offices. Subsequently, county departments balked at moving into the space, and the buildings continue to be left mostly vacant after six years. The county is now again considering moving county offices into these buildings.

### Failures of Communication and Engagement

The grand jury heard from witnesses that some projects were repeatedly delayed due in large part to lack of communication among GSA, client departments, design, and construction personnel. Witnesses perceived that GSA staff were too far removed from operational issues within client departments to feel a sense of urgency to work through roadblocks to timely project completion. GSA could better manage such obstacles by improving client communication, whether through weekly team meetings, frequent status emails from GSA program managers, or embedded GSA staff within a client department. Another suggestion was to train GSA staff as liaisons with specific departments. Project managers who emailed, called, and met frequently with client departments were valued and had a better chance of working together as a team to achieve a successful project.



The Zhone Building, Oakland

## CONCLUSION

Our investigation found that high priority capital projects often moved slowly when GSA held the lead role. The grand jury identified staff retention and training, improved project planning, communication and coordination, and management’s attention to clients’ needs as the most important steps GSA must take to improve its capital project management and delivery.

The grand jury heard from witnesses that GSA’s upper management must be more engaged; they should be front and center when explaining important delays or significant cost overruns to client departments or when key project manager turnover occurs. Such developments can be huge setbacks for capital projects, and clients need the assurance that GSA cares, understands, and possesses the capability to fix them.

When staff turnover or increased workload threatens GSA's ability to deliver quality services, management needs to acknowledge those complications, inform client departments, and work creatively to find alternatives solutions, such as contracting with outside project management firms.

GSA must also be more disciplined and transparent in communicating the status of its capital projects. One technique is to share with clients a weekly GSA report card on all active capital projects listing next steps, key milestones, responsible parties, and deadlines. Sometimes the reason for a client’s dissatisfaction is a lack of understanding of the planning, design, bidding, or award policies and procedures.

Finally, GSA must lead with more robust planning for the county’s infrastructure with the guidance of the Alameda County Board of Supervisors. This would help the General Services Agency better manage current projects and anticipate future workloads and secure the necessary resources.

## FINDINGS

### Finding 20-25:

GSA has a culture of poor communication with its client departments which contributes to unnecessary delays and increased project costs.

### Finding 20-26:

Poorly developed and disseminated Capital Program and procurement procedures result in inconsistent project management within GSA.

*Finding 20-27:*

GSA’s redefinition of professional requirements for project managers and its inability to sufficiently staff project manager positions contribute to poor control over the delivery of capital projects.

*Finding 20-28:*

GSA’s failure to update as-needed professional contracts results in unnecessary bidding which contributes to unwarranted delays in project delivery.

*Finding 20-29:*

Alameda County’s failure to prioritize long-range planning and site safety assessments has set county government capital construction on a rudderless course oftentimes guided by litigation and emergency needs.

## **RECOMMENDATIONS**

*Recommendation 20-22:*

The Alameda County General Services Agency must provide sufficient staff or consultant resources to accomplish its capital program workload efficiently.

*Recommendation 20-23:*

The Alameda County General Services Agency must improve communication with clients throughout all stages of a project to build a strong and informed project team. GSA should place staff within client departments as needed during the project planning and design stages.

*Recommendation 20-24:*

The Alameda County General Services Agency must establish well-defined policies and procedures to guide staff work and to help clients understand the capital project development and bidding processes. Both existing and new staff and managers must be trained in these procedures.

*Recommendation 20-25:*

The Alameda County General Services Agency management must provide staff with work plans to track workload, progress, schedules, budgets to timely project completion.

*Recommendation 20-26:*

The Alameda County General Services Agency must establish or renew as-needed professional services contracts to ensure that project managers can quickly access a variety of expert services.

**Recommendation 20-27:**

The Alameda County Board of Supervisors and the General Services Agency must complete updates to long-range and master plans, such as the Facilities Condition Assessment and Real Estate Master Plan, to better manage competing capital investment demands for staffing and funds.

**REQUEST FOR RESPONSES**

Pursuant to California Penal Code sections 933 and 933.05, the grand jury requests each entity or individual named below to respond to the enumerated Findings and Recommendations within specific statutory guidelines, no later than 90 days from the public release date of this report.

**Responses to Findings shall be either:**

- Agree
- Disagree Wholly, with an explanation
- Disagree Partially, with an explanation

**Responses to Recommendations shall be one the following:**

- Has been implemented, with a brief summary of the implementation actions
- Will be implemented, with an implementation schedule
- Requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a completion date that is not more than 6 months after the issuance of this report
- Will not be implemented because it is not warranted or is not reasonable, with an explanation

**RESPONSES REQUIRED**

Alameda County Board of Supervisors

Findings 20-25 through 20-29

Recommendations 20-22 through 20-27