

*"Placerville, a unique historical past forging into a golden future."*

**City Manager's Report**  
**June 25, 2019 City Council Meeting**  
**Prepared by: Terry Zeller, Director of Community Services**  
**Item #: 12.1**



**Subject:** Review Final Draft Request for Proposals for Reuse of Historic City Hall and direct staff to make changes and/or to authorize staff to release the Proposal.

---

**Purpose:** To review and approve a Final Draft of the Request for Proposals for Reuse of Historic City Hall and direct staff to make changes or authorize staff to release the Proposal.

**Background:**

The original Request for Proposals was presented to the Council on November 13, 2018 for approval. Council made some changes to the RFP, including closing dates, and directed staff to proceed. The RFP was posted and advertised at that time with a closing date of February 19, 2019. On January 8, 2019 staff was made aware of an error in the document stating the closing date of April 16, 2019. Staff immediately made the change on our website. However, some potential applicants may not have received the change.

On May 28, 2019 the City Council took action to reject the two proposals that had been received and to develop a new RFP and process for consideration.

On June 11, 2019 Council reviewed a revised Request for Proposals for reuse of Historic City Hall. The revisions to the proposal set up a new calendar of deadlines, as well as modifications to the body of the RFP based on public input at the presentations and during previous public meetings. The City Council requested changes be made based on their input and public comment, and for this revised RFP to return for Action at the June 25<sup>th</sup> meeting.

**Discussion:**

The attached draft RFP has been revised to implement specific changes that were discussed and offered by both the Council and relevant public input during public comment and from email received by the City Clerk. The summary of input has been organized into general questions and statements below, with staff responses and any revisions made to the RFP as a result.

Question on why only non-profits are allowed to respond to the RFP:

The requirement of qualified tax exempt Non Profit Organizations speaks to the preferred arrangement of the lease by the City. No changes to the RFP were deemed necessary due to this question.

Question on a condition of the lease agreement that bars organizations from using volunteers in renovations.

-It is the understanding of the City that having volunteers work on a City-owned property renovation amounts to a Public Work, which requires conformance to the State of California's wage rules and Public Contracts Code. No changes to the RFP were deemed necessary due to this

question. Volunteers engaged in work on a public building also pose potential issues with liability, control, and workman's compensation.

Question as to why there is a lease attached to the RFP if it is open to negotiation, and that it should be labeled as a Sample Lease.

-The lease has been labeled as a 'Sample' in both the original and revised RFP's and so no changes to the RFP are needed.

Statements concerning the action of the Planning Commission, and when that body should participate in the process.

-It has been determined by staff that the Planning Commission would review any physical modifications (exterior) to Old City Hall through the Site Plan Review process (Zoning Code Sections 10-4-9 and 10-4-10). This would also include their review if a change in occupancy (commercial to residential use for example) occurs (Code Section 10-4-9(C)3). The Planning Commission's involvement would occur prior to issuance of a building permit. Meaning, the Commission would review the building elevations/plans.

There is no requirement that the Commission be involved in the RFP process and the Council did not direct their involvement in the RFP process. No changes to the RFP were deemed necessary due to these statements.

Question on why there isn't a requirement for annual reviews of conformance with the lease.

-The requirement for the Lessee to submit to an annual review for conformance to the Lease has been added to the RFP Attachment Sample Lease, Article XIX B.

Question on whether Section VI article 6 violates free speech under the 1<sup>st</sup> Amendment.

-This Section requiring Professional Conduct outlines attacks, disparaging remarks, or negative comments about another proposer or proposal contained in the written proposal or oral remarks during the proposal presentation. This allows for objective comparisons and contrasts between proposals and does not impinge on speech outside the confines of the proposal or presentation. These 3 types of conduct, if occurring in the proposal or during the presentation, may cause a disqualification of a proposal as they violate common decency and are not welcome in any public realm as a general understanding of decorum. It is unfortunate but necessary to include a warning and penalty in the RFP due to previous conduct. The RFP language in this section was changed to emphasize the intent of the requirement for professional conduct in the interest of the long term public relationship necessary for this project to be successful.

Question on if language and emphasis on Historical significance can be made more specific.

-Language has been modified to the RFP under Section VI 3.b to include the proposer conforming to the City ordinance 10-4-10 of the Placerville Municipal Code describing requirements for Historic Buildings in the City, which includes the Secretary of the Interior's Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings (Ord. 1640, 11 Jan 2011).

Question on if the RFP can be modified to increase the scoring value for maintaining Historic Character.

-The Evaluation Criteria Section of the RFP has come under criticism multiple times, and is only an element of the total criteria for an award. It is staff's opinion that it was in place during the subcommittee phase to help quantify proposals, and should be kept as a list of considered elements in evaluating proposals, but to remove the points associated so that proposals are not based on scoring specific points.

Statement that the Public should have the same two weeks that the Council has to review the RFP's, and that the Protest Period should be extended from the fourth calendar day following the proposal due date.

The proposals will be opened and made available to anyone requesting their content from the Community Services Department the day following the deadline. The protest period is intended to offer proposers to bring any concerns to the City following the deadline but within a reasonable amount of time for staff to remedy before the public meeting. In reviewing the protest timeline, the RFP has been revised to allow a seven (7) calendar day window for protests, which will close at 4:00 pm on that seventh day.

Question on allowing regular mail submittal questions during the question process.

The reason for email submittals is to remove the U.S. mail delivery factor from the timeline, which will only work if questions are submitted via email.

Question on Section XVII Next Steps, requesting a definition of the "City", and what the statement "best needs of the City" means.

This question is focused again on the overall evaluation criteria, and another reason to remove a number/point system from the RFP. The RFP clearly states in many sections that it is the sole discretion of the Council to award (or not award) any specific proposal based on what that body feels meets the definition of "best needs of the City". This is up to the Council to decide, and is their basic function in all City matters to decide what is best; it is their reason for being.

A revision has also been made to the page limit allowed in the RFP from twenty (20) pages to thirty (30) in order to give more space to elaborate on proposals.

In summary, the revisions to the RFP, based on the input, are:

1. The requirement for the Lessee to submit to an annual review for conformance to the Lease has been added to the RFP Attachment Sample Lease, Article XIX B.
2. The addition of language under Section VI 3.b to include the proposer conforming to the City ordinance 10-4-10 of the Placerville Municipal Code describing requirements for Historic Buildings in the City.
3. Remove the points designation for the evaluation criteria under Section IX.
4. Extend the protest period from 4 days to 7 calendar days following RFP submittal deadline.
5. Increase the RFP page limit to 30.

It is worth pointing out to Council that there is language in the RFP for proposers to pose questions to the Community Services Director once the RFP is publicly released, along with a time table and a deadline for my responses which are July 19<sup>th</sup> and July 24<sup>th</sup> respectively. This allows the Council to approve the RFP for release at this meeting, with any further questions generated by the proposers have a process for being addressed post-release.

Staff is requesting that Council review the revised RFP and provide any input on changes if necessary. Staff will amend based on any changes and schedule the RFP for advertisement on July 1, 2019.

**Options:**

1. Approve the RFP and direct staff to release it to the public effective July 1, 2019
2. Provide direction to staff regarding any changes to the RFP and direct staff to make changes and release the RFP to the public July 1, 2019.
3. Direct staff not to proceed with the RFP at this time and provide further direction on how to proceed.

**Cost:** Minimal cost to prepare the RFP.

**Budget Impact:** None.

**Recommendation:** Review revised Request for Proposals for Reuse of Historic City Hall and authorize staff to release the Proposal.



M. Cleve Morris, City Manager



Terry Zeller,  
Director of Community Services

**Attachments:**

1. *Draft RFP with Attachments*