

**COUNTY OF SONOMA  
AGENDA ITEM  
SUMMARY REPORT**

**Clerk of the Board Use Only**  
**Meeting Date**                      **Held Until**  
 /   /                                      /   /  
**Agenda Item No:**                      **Agenda Item No:**  
 \_\_\_\_\_                                      \_\_\_\_\_

**Department:** General Services  
 Auditor-Controller-Treasurer-Tax Collector

(   ) **4/5 Vote Required**

**Contact:** Mike Wagner  
**Phone:** (707) 565-2463  
**Board Date:** July 21, 2009

**Deadline for Board Action:**

**AGENDA SHORT TITLE:**  
 New Sublease for the Human Resources Management System (HRMS) Project

**REQUESTED BOARD ACTION:**  
 Adopt a Resolution declaring intent to enter into a sublease with Wells Fargo Bank, N.A., a national banking association (WFB)., for approximately 4,557 sq. ft. of office space located at 3569 Round Barn Boulevard, Santa Rosa, California.

**CURRENT FISCAL YEAR FINANCIAL IMPACT**

<u><b>EXPENDITURES</b></u>		<u><b>ADD'L FUNDS REQUIRING BOARD</b></u>	
<b>Estimated Cost</b>	\$ 85,208.55	<b>Contingencies</b>	\$
		(Fund Name:)	
<b>Amount Budgeted</b>	\$ 120,000.00	<b>Unanticipated Revenue</b>	\$
		(Source:)	
<b>Other Avail Approp.</b>	\$	<b>Other Transfer(s)</b>	\$
(Explain below)		(Source:)	
<b>Additional Requested:</b>	\$	<b>Add'l Funds Requested:</b>	\$
<b>Explanation (if required):</b> Estimated rental expense totals \$85,208.55 (\$2,499.00 x 1 month, \$7,519.05 x 11 months) for FY 2009-2010.			

**Prior Board Action(s):**  
 See Attached Prior Board Items.

**Alternatives - Results of Non-Approval:** HRMS staff is currently occupying the premises, under an early occupancy agreement (EOA), which provides the office space necessary for 12 FTE employees and 3 consultants. If the proposed sublease is not approved, the EOA will expire on August 31, 2009, and County may be forced to seek alternative office space at additional cost, which could delay the successful and timely implementation of the HRMS system.

**Background:**

**General.** The County initiated the Human Resource Management System (HRMS) project after an internal review demonstrated that existing systems and processes were unable to support the County's short and long-term goals which include the ability to share information across databases and provide for efficient and effective measurement and analysis of the use of County resources. Findings and recommendations based on this review are contained in the Information Systems Department's Strategic Plan for Technology (2005-2010) adopted by the Board in 2005. Specifically, the County found that it was unable to obtain a consistent and comprehensive view of employee, skill and position data, support flexible payroll processing or employee self-service functions, or provide support for user-defined queries and performance management initiatives.

Activities related to the procurement and implementation of an HRMS have been underway for several years. In FY05-06 and FY06-07, the Board designated a total of \$3.1 million for an HRMS solution that was estimated at that time to have a likely total cost of \$5 million to \$7 million, based upon the best information from comparable projects in other counties. In August 2007, the Board directed staff to develop and release a request for proposals (RFP) to identify the most up-to-date system solution and cost. In August of 2008, the Board directed staff to complete the software selection phase of the project, and to return to the Board with a system recommendation and financing plan for its implementation.

On January 13, 2009, the Board authorized the Chair to execute an agreement with High Line Corporation (High Line) for HRMS software implementation services. The project team includes 12 FTE and 3 High Line consultants. The implementation schedule is approximately 22 months in duration, and will include the following stages: business requirements analysis and mapping; module design/build; data conversion and interfaces; system testing; and end-user training.

The project team formerly shared approximately 900 sq. ft. in the La Plaza B building. This equates to only 75 sq. ft. per person which is well below the established County Architect's Division guidelines and best known practices for office staff density. Additionally, HRMS implementation will require training of large numbers of other County staff over an 18-month time period, and the former space is not be suitable to accommodate these training activities.

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**Attachments:** Resolution, Prior Board Actions, Summary of Property Proposals.

**On File With Clerk:** Copy of Early Occupancy Agreement, copy of proposed Sublease, copy of proposed Consent, and Public Notice Request.

**CLERK OF THE BOARD USE ONLY**

**Board Action** (If other than "Requested")

**Vote:**

**Background:** (Continued)

Because the HRMS project is underway and under strict implementation deadlines, it was necessary to relocate the HRMS team to a more suitable work space as soon as possible. There was not sufficient County-owned space at the County Administration Center to accommodate HRMS and thus it was determined that a leased office space was necessary.

The following criteria was used to select an appropriate leased space for the HRMS project team:

1. Proximity to County Center
2. Immediate Availability
3. 3,500 sq. ft. to 5,000 sq. ft. space including training room
4. 2-year lease
5. Parking sufficient for training
6. Easy access to main road/freeway

Based on the minimum criteria, eight property proposals were considered (a summary of those proposals is attached). Staff identified a 4,557 sq. ft. suite for the HRMS team at 3569 Round Barn Boulevard, in close proximity to the County Administration Center. This location provides easy access for HRMS executive team members as well as County staff in need of training. Because of the recent contraction in the mortgage lending industry, this space became available under a sublease from WFB, at the substantially discounted rate of \$1.65 per square foot per month (psfpm), full-service (compared to the \$2.55 per sq. ft. rental rate WFB is paying Equity Office Partners, the landlord). The \$1.65 psfpm rate is significantly below market rent for comparable properties in the opinion of the Real Estate Manager. The space was vacant and required only minor modification to meet HRMS' requirements.

**Lease Approval Process.** Under the California Government Code, the Board must take two separate Board actions in order to approve leases where the total consideration exceeds \$50,000. The first of two Board actions includes a public notice of intention to enter into the lease, which notice must be published in the newspaper once a week for at least three consecutive weeks. After such notice has been published, the Board must act again to approve the lease. The first round of HRMS training is scheduled for the week of July 13, 2009, and the sublease will not be executed in time to prepare and conduct those trainings. In an effort to provide the training and office space as required for the HRMS project, County Real Estate staff negotiated an Early Occupancy Agreement (EOA), as more particularly described below.

**Early Occupancy Agreement (EOA).** The County entered into the EOA with WFB, for the subject property located at 3569 Round Barn Boulevard, Santa Rosa ("Premises"), in order to accommodate the 12 FTE County HRMS staff, and the 3 vendor consultants who were previously occupying approximately 900 sq. ft. space in County's La Plaza B building. The consideration for the EOA is \$2,500 per month and it expires on August 31, 2009, or the commencement date of the proposed sublease, which is the subject of this report. Real Estate staff has negotiated the sublease to allow HRMS staff to continue to occupy the Premises beyond August 31, 2009, helping to ensure timely HRMS implementation.

**Proposed Sublease Terms.** Real Estate staff have negotiated a sublease with WFB, the proposed terms of which follow:

**Background:** (Continued)

Premises: Approximately 4,557 sq. ft. of office space located at 3659 Round Barn Boulevard, Santa Rosa (commonly known as the Fountaingrove Executive Center).

Initial Term: Two years.

Rent: Year 1 - \$1.65 psfpm  
Year 2 - \$1.75 psfpm

Extension Options: One option to extend the term for two years.

Termination: County may terminate the Sublease upon 60 days prior written notice for the following reasons: (a) non-appropriation of funds; (b) discontinuance of the program; (c) funding for the program is reduced or withdrawn; or (d) for any other reason.

**La Plaza Building B – Backfill.** Regional Parks’ recent staff changes require additional workspace for a new Deputy Director position and for staff and interns who will support the Department’s expanded Environmental Education (1.75 additional FTE) and volunteer programs (additional intern positions). These additional staff and interns cannot be accommodated in the existing Regional Parks’ space in La Plaza A. As a result, impacted staff and interns are currently sharing offices and utilizing meeting spaces La Plaza A until expansion space can be secured. Since there is no vacant space in La Plaza A, the vacated HRMS space in La Plaza B is the closest appropriately-sized expansion opportunity for Regional Parks. Regional Parks is in the process of occupying the vacated HRMS space in La Plaza B.

**Recommendation.** Staff recommends that the Board adopt the attached Resolution, declaring intent to enter into a sublease with WFB, for approximately 4,557 sq. ft. of office space located at 3569 Round Barn Boulevard, Santa Rosa.