


MEMORANDUM

February 24, 2015

TO: Health and Human Services Committee

FROM: Vivian Yao, Legislative Analyst 

SUBJECT: **Worksession – CIP Amendments:** Health and Human Services

The Health and Human Services (HHS) Committee will review the County Executive's recommended amendment to the FY15-20 CIP for the Avery Road Treatment Center project and receive updates on other Department of Health and Human Services (DHHS) projects that do not involve the public schools. The HHS and Education Committees met on February 12 to discuss DHHS CIP amendments involving MCPS.

Representatives from the Department of Health and Human Services (DHHS), the Department of General Services (DGS), and the Office of Management and Budget (OMB) are expected to participate in the worksession.

EXECUTIVE RECOMMENDED AMENDMENT

The Department's FY15-20 CIP includes three active projects that are reviewed by the HHS Committee and do not involve the public schools. The Executive has recommended one of these projects, Avery Road Treatment Center, for an amendment.

Avery Road Treatment Center (\$000) (PDF at ©1-2)

(in 000s)	Total	Total 6 years	FY15	FY16	FY17	FY18	FY19	FY20
Approved	4,800	4,800	550	250	1,600	2,050	350	0
Recommended	4,800	4,800	40	510	250	1,600	2,050	350

*The recommended funding source is \$4.490 million in GO Bonds and \$310,000 in State Aid.
There is no requested FY16 appropriation.*

Project Description: The project provides for the planning of a replacement facility for the existing Avery Road Treatment Center. The existing facility currently provides 20 medical detox and 40 intermediate care beds, and 49 of the beds are reserved for low-income County residents.

Public-Private Partnership

The County is pursuing a public-private partnership with assistance from the State to complete the project, and the PDF explains that only a portion of the likely total project costs are reflected. The County issued a Request for Proposal to seek a Public-Private Partnership to finance, design, construct, maintain and operate/manage the current scope or expanded capacity of the ARTC facility in the fall. The County received two proposals in response to the RFP, and the Qualification and Selection Committee is currently in the process of evaluating them. A selection is expected in the spring.

The Executive has recommended shifting funding to allow for time to complete the procurement process.

State Funding

The approved PDF reflects \$310,000 in State bond funding to support the project. This amount was awarded for FY15 with the expectation that funds must be spent within seven years of the effective date of the State bill authorizing them. Executive staff reports that the Department applied for FY16 funding and \$104,000 has been recommended for the completion of design, subject to approval by the General Assembly. The Department is in the process of applying for additional State funding for FY17.

Council staff recommendation: Approve the Executive recommended expenditure schedule for the project and revise the PDF to reflect change to State Aid, if recommended FY16 amounts are approved. The Committee should request written notification from DHHS when a decision on the RFP has been made.

FY15-20 CIP AND FY16 CAPITAL BUDGET UPDATES

The Executive does not recommend any appropriation in FY16 for DHHS CIP projects. Executive staff has provided the following updates on DHHS CIP projects not involving MCPS:

- **Dennis Avenue Health Center:** The new building is under construction and is anticipated to open in early 2016. Site work and demolition of the original facility will be completed by the end of 2016.
- **Progress Place Relocation and Personal Living Quarter:** The project is in design, and construction is scheduled to start in the fall/winter of 2015. Completion is anticipated in early 2017.
- **Energy Systems Modifications and Other County Level of Effort Projects:** DHHS facilities at 1301 Piccard Drive and 8818 Georgia Avenue are candidates for work under County Level of Effort projects. The County awarded the contract to perform Energy Systems Modifications to Energy Performance Contracting Services (EPCS). The company is currently performing Investment Grade audits for both facilities. Design work is anticipated to start in the spring/summer of 2015 with construction to be

completed in 2016. DGS will perform County Level of Effort work as needed after the EPCS work is completed.

- **Facility Planning: MCG:** Two DHHS projects are listed in the County's Facility Planning: MCG project as having planning studies underway or as candidate projects to be completed during FY15 and FY16: 1301 Piccard Drive and Wheaton Health and Human Services Facility. The projects are listed in Facility Planning to address capacity issues for the Department.

Executive staff explains that HHS with DGS developed a Strategic Facility Plan (SFP) in 2008. The SFP addressed HHS strategic plan and County-wide capacity requirements based on the Department's current mission and Federal, State, and County new laws and regulations. Using these requirements, PORs for specific projects have been developed. DGS will begin to review candidate HHS projects in Facility Planning for consideration in the FY17-22 CIP. One potential candidate is to update the 2008 SFP. **The Committees may be interested in understanding to what extent the identified shortages identified in the 2008 SFP have been addressed through leased space; how much leased space out of total space the Department occupies; and to what extent space shortages currently exist and the service areas impacted.**

FY15-20 Approved Project Avery Road Treatment Center (P601502)

Category Health and Human Services
Sub Category Health and Human Services
Administering Agency General Services (AAGE29)
Planning Area Rockville

Date Last Modified 4/21/14
Required Adequate Public Facility No
Relocation Impact None
Status Planning Stage

	Total	Thru FY13	Est FY14	Total 6 Years	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	Beyond 6 Yrs
EXPENDITURE SCHEDULE (\$000s)											
Planning, Design and Supervision	0	0	0	0	0	0	0	0	0	0	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	0	0	0	0	0	0	0	0	0	0	0
Construction	0	0	0	0	0	0	0	0	0	0	0
Other	4,800	0	0	4,800	550	250	1,600	2,050	350	0	0
Total	4,800	0	0	4,800	550	250	1,600	2,050	350	0	0

FUNDING SCHEDULE (\$000s)											
G.O. Bonds	4,490	0	0	4,490	240	250	1,600	2,050	350	0	0
State Aid	310	0	0	310	310	0	0	0	0	0	0
Total	4,800	0	0	4,800	550	250	1,600	2,050	350	0	0

APPROPRIATION AND EXPENDITURE DATA (000s)

Appropriation Request	FY 15	550
Appropriation Request Est.	FY 16	250
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		0
Expenditure / Encumbrances		0
Unencumbered Balance		0

Date First Appropriation	
First Cost Estimate	
Current Scope	FY 15 4,800
Last FY's Cost Estimate	0

Description

This project provides for the planning, design and construction of a replacement facility for the existing Avery Road Treatment Center (ARTC). The existing facility provides residential substance abuse treatment for low-income County residents. The County is pursuing a public-private partnership with assistance from the State to complete the project; therefore, only a portion of the likely total project costs are reflected here. The County has issued a Request for Expressions of Interest to gauge potential interest in a public private partnership. Responses from this process will inform how this project moves forward.

Location

14703 Avery Road, Rockville, Maryland

Capacity

The existing facility provides 20 medical detox and 40 Intermediate Care Facility beds. Capacity provided by the replacement facility may shift depending on the agreement developed under the public-private partnership.

Justification

The existing ARTC facility was constructed of pre-fabricated modular units in 1991 and needs to be replaced.

Fiscal Note

The County is pursuing additional State and private support for the design and construction of this project. Project funding and expenditures shown here serve as a placeholder, intended to capture the amount of funding required to meet State match requirements. The Executive asserts that this project conforms to the requirements of relevant local plans, as required by the Maryland Economic Growth, Resource Protection and Planning Act.

Coordination

Department of Health and Human Services
Department of General Services
County Attorney
Office of Procurement
Maryland Department of Health and Mental Hygiene
Private and/or non-profit substance abuse treatment providers
Private developers

Executive Recommended Amendment 1/15/2015

Avery Road Treatment Center (P601502)

Category Health and Human Services
 Sub Category Health and Human Services
 Administering Agency General Services (AAGE29)
 Planning Area Rockville

Date Last Modified 11/17/14
 Required Adequate Public Facility No
 Relocation Impact None
 Status Planning Stage

	Total	Thru FY14	Rem FY14	Total 6 Years	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	Beyond 6 Yrs
EXPENDITURE SCHEDULE (\$000s)											
Planning, Design and Supervision	0	0	0	0	0	0	0	0	0	0	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	0	0	0	0	0	0	0	0	0	0	0
Construction	0	0	0	0	0	0	0	0	0	0	0
Other	4,800	0	0	4,800	40	510	250	1,600	2,050	350	0
Total	4,800	0	0	4,800	40	510	250	1,600	2,050	350	0

FUNDING SCHEDULE (\$000s)											
G.O. Bonds	4,490	0	0	4,490	40	200	250	1,600	2,050	350	0
State Aid	310	0	0	310	0	310	0	0	0	0	0
Total	4,800	0	0	4,800	40	510	250	1,600	2,050	350	0

APPROPRIATION AND EXPENDITURE DATA (000s)

Appropriation Request	FY 16	0
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		550
Expenditure / Encumbrances		0
Unencumbered Balance		550

Date First Appropriation	FY 15
First Cost Estimate	
Current Scope	FY 15 4,800
Last FY's Cost Estimate	4,800

Description

This project provides for the planning, design and construction of a replacement facility for the existing Avery Road Treatment Center (ARTC). The existing facility provides residential substance abuse treatment for low-income County residents. The County is pursuing a public-private partnership with assistance from the State to complete the project; therefore, only a portion of the likely total project costs are reflected here. The County has issued a Request for Proposals to secure a private partner for the project.

Location

14703 Avery Road, Rockville, Maryland

Capacity

The existing facility provides 20 medical detox and 40 Intermediate Care Facility beds. Capacity provided by the replacement facility may shift depending on the agreement developed under the public-private partnership.

Estimated Schedule

Funds are shifted to reflect an increase in the time required to complete the procurement process.

Justification

The existing ARTC facility was constructed of pre-fabricated modular units in 1991 and needs to be replaced.

Fiscal Note

The County is pursuing additional State and private support for the design and construction of this project. Project funding and expenditures shown here serve as a placeholder, intended to capture the amount of funding required to meet State match requirements. The Executive asserts that this project conforms to the requirements of relevant local plans, as required by the Maryland Economic Growth, Resource Protection and Planning Act.

Coordination

Department of Health and Human Services
 Department of General Services
 County Attorney
 Office of Procurement
 Maryland Department of Health and Mental Hygiene
 Private and/or non-profit substance abuse treatment providers
 Private developers

DHHS CIP Update Questions

Avery Road Treatment Center

- Please provide an update on the RFP process for the Avery Road Treatment Center. What is the timeline for reviewing proposals? When will a decision be made regarding the RFP? Please provide a copy of the RFP. The County received two proposals in response to the ARTC RFP. Qualification and Selection Committee is currently in the process of evaluating proposals. A selection is expected this spring. RFP is attached.
- When do State funds need to be spent? State funds must be spent within seven years of the effective date of the State bill authorizing them. In regards to this fiscal year, State funds will carry over into FY16. . Unspent funds in a given fiscal year can be rolled into the following fiscal year.
- Please provide an update on the condition of the building. What work has been performed on the building in FY14 and FY15 to keep it operational? At what cost? What structural and systems problems associated with the building require ongoing maintenance or repair? At what cost? In FY14 and FY15, DGS made several repairs such as roof, floor and wall costing approximately \$120,000 to stabilize the facility. We will continue to do repair work to keep the facility in functioning condition.
- Has the Department applied (or will the Department apply) for additional State funding for the project, and if so, when does it expect to hear from the State? The Department applied for FY16 funding and was allocated \$104K to complete funding for design. . It will need to be approved by the legislature but is expected to be approved. HHS is in the process of applying for additional State funding for FY17. State funds require a local match and cannot be spent until the local funds for that project component are first spent.

Dennis Avenue Health Center

- Please provide a status update on the Dennis Avenue Health Center. When will the project be completed and center opened? The new building is under construction. It is scheduled to open in 2016. Site work and building demolition will be completed at the end of 2016.

Progress Place Relocation and Personal Living Quarter

- Please provide an update on the Progress Place Relocation and PLQ project and where the project is in planning, design, or construction. What is the estimated time for completion? Project is in design. Construction is scheduled to start Fall/Winter 2015 and completed in early 2017.

Health and Human Facility Plan

- During review of the FY15-20 CIP last spring, Executive staff reported that work on the studies in Facility Planning for 1301 Piccard and the Wheaton Health and Humans Services Facility were suspended due to the decision to improve the current facilities at 1301 Piccard and 8818 Georgia Avenue under County Level of Effort Projects including Energy Systems Modification.

Please provide an update on work that has been completed or planned for these buildings under County Level of Effort Projects in FY15 and FY16. Why are the projects still listed in Facility Planning? Is there maintenance needed in addition to the County Level of Effort Projects to keep the buildings operational?

- Energy Performance Contracting Services has been awarded to 1301 Piccard to perform Energy Systems Modifications. Currently contractors are performing Investment Grade audit for the facility. County Level of Effort Projects will commence after the EPCS work is completed.
- DGS performed several improvements under County Level of Effort Projects. Energy Performance Contracting Services has been awarded to 8818 Georgia Avenue to perform Energy Systems Modifications. Currently contractors are performing Investment Grade audit for the facility. DGS will perform County Level of Effort work if necessary after the EPCS work is completed.
- They are still listed in Facility Planning because renovations of the facilities do not address capacity issue.