



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: General Services
Department No.: 063
For Agenda Of: December 3, 2024
Placement: Administrative
Estimated Time: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: General Services Kirk Lagerquist, Director (805) 560-1011
Contact Info: John Green, Assistant Director (805) 934-6229
SUBJECT: Probation Headquarters Building Project – Escrow Account in lieu of Retention;
Project No. 19014, First Supervisorial District

County Counsel Concurrence

As to form: Yes

Other Concurrence: * Risk Management

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence

Recommended Actions:

That the Board of Supervisors:

Consider recommendations regarding the Probation Headquarters Project, First District, as follows:

- a) Approve an Escrow Agreement (Agreement) for security deposits in lieu of retention in accordance with section 22300 of the California Contract Code; and
- b) Authorize the Director of General Services to execute the Agreement; and
- c) Find that the above actions do not require changes to the Final Mitigated Negative Declaration (SCH2023040126, GS-042022-19014-MND) for the Project, which was adopted by the Board in March 2024 and determined that therefore no new environmental document is required.

Summary Text:

This item is on the agenda requesting approval and execution of an escrow agreement in lieu of retention for the Probation Headquarters construction project, Project No. 19014 (Project). Section 22300 of the California Contract Code allows contractors to deposit securities with an escrow agent as a substitute for

retention earnings required to be withheld by the County pursuant to the construction contract with ProWest PCM, Inc. (Contractor) for the Project, which was approved by the Board on June 18, 2024.

Background:

Pursuant to Section 22300 of the Public Contract Code of the State of California, Contractor has the option to deposit securities with Escrow Agent as a substitute for retention earnings required to be withheld by Owner pursuant to the Construction Contract entered into between the County of Santa Barbara (“COUNTY”) and ProWest PCM, Inc. (“CONTRACTOR”) for the project known as the New Probation Headquarters building in the amount of \$37,817,413, dated June 18, 2024. On written request of the Contractor, the County shall make payments of the 5% retention earnings, of the total amount of the monthly progress billings, directly to Commercial Bank of California (“ESCROW AGENT”). When the County makes payments of retentions earned directly to the Escrow Agent, the Escrow Agent shall hold them for the benefit of the Contractor until the time the escrow created under this contract is terminated.

Upon satisfactory completion of the contract, the Contractor shall receive from the Escrow Agent all securities, interest, and payments received by the Escrow Agent from the Owner, pursuant to the terms of the Escrow Agreement for Security Deposits in Lieu of Retention for County Project No. 19014.

California Environmental Quality Act (CEQA) Documentation:

The above actions do not require changes to the Final Mitigated Negative Declaration (SCH2023040126, GS-042022-19014-MND) for the Project, which was adopted by the Board in March 2024.

Fiscal and Facilities Impacts:

Budgeted: N/A

Fiscal Narrative:-

The 5% retentions earned will be withheld by the County (Owner) and paid directly to the Escrow Agent, Commercial Bank of California, who will hold these payments for the benefit of the Contractor until the escrow created under this contract is terminated. The Contractor is responsible for paying all fees incurred by the Escrow Agent to administer the Escrow Account. Interest earned on the money market accounts held in escrow and all interest earned on that interest is specifically for the Contractor. The Contractor has the right to withdraw all or any part of the principal in the Escrow Account by written notice to the Escrow Agent. This notice must be accompanied by written authorization from the County to the Escrow Agent providing consent to the withdrawal of the amount requested by the Contractor.

Special Instructions:

Please email the following items to Fernando Orta in the General Services Department, forta@countyofsb.org;

- 1) One (1) copy of the Minute Order

Attachments:

1. Attachment 1 – Escrow Agreement for Security Deposits in Lieu of Retention for County Project No. 19014

Authored by:

Fernando Orta, Project Manager, General Services - Capital Projects