

May 6, 2005 ICOC Meeting
 Recommendation for the Site of the
 California Institute for Regenerative Medicine

Background

At the January 6, 2005 ICOC meeting a Site Selection Committee was established with the following members:

Bob Klein, Chair	Ed Penhoet
Michael Friedman	Claire Pomeroy
Sherry Lansing	Phyllis Preciado
Richard Murphy	John Reed

The committee was charged with the responsibility of locating suitable office space for the California Institute for Regenerative Medicine (CIRM) and making a recommendation to the full ICOC.

Discussion

At the last Site Selection Committee meeting on May 2, 2005, the members assigned final point totals to four finalists as follows:

City	Building Owner	RFP Points	Site Visit Points	Total Points
San Francisco	Stockbridge SF, HQ, LLC	158	64.75	222.75
Sacramento	One Capitol Mall Investors, LP	135	65.50	200.50
San Diego	Slough TPSP LLP	127	72.88	199.88
Emeryville	EmeryStation Joint Venture LLC	119	52.71	171.71

This was the final step in a very creative procurement that resulted in enthusiastic and generous proposals from cities and building owners across the state. Ten bids from 17 cities offered free rent and other incentives, including free and discounted conference facilities and hotel rooms that will result in millions of dollars in savings, which can be directed to fund stem cell research. In addition the responses showed that statewide, government and the private sector are prepared to support the critical research programs that CIRM will fund.

However, the procurement itself was conducted in accordance with the normal rules and conditions that all state agencies are required to follow. The Department of General Services was a creative partner in this effort but was also there to ensure that the results were arrived at in an objective manner with sufficient documentation to support the final recommendation.

The points awarded are based on a comprehensive evaluation of both the written and visual presentations by the government entities and their building owner

partners in relation to the minimum requirements and preferences decided upon by the Site Selection Committee. The specific meetings (five regular and four site visit meetings) held by the Site Selection Committee, the decisions made at those meetings and the actions taken by the CIRM/DGS staff in support of the this effort are described in Exhibit 1.

While the ICOC has discretion to make a final decision on the permanent site location, the consideration of new factors could result in a challenge by other bidders and might require the cancellation of the entire process. Also, any changes in points must be based on specific information contained in the written proposals or evident during the site visits in order to avoid challenge and cancellation of the process.

Recommendation

Based on the decisions made by the Site Selection Committee, it is recommended that the ICOC select the City of San Francisco and its building owner partner as the permanent CIRM site.

Also based on the decisions made by the Site Selection Committee, it is recommended that the ICOC select the City of Sacramento and its building owner partner as the runner-up site. The RFP requires that, in the event that negotiations with San Francisco and its building owner partner break down or the city and its building owner partner are not able to meet the terms of their bid, the award would be given to the runner up.

EXHIBIT 1

**Site Selection Committee
Meetings and Actions**

1/25/2005 Meeting

- Passed motions to do the following:
 - To seek assistance from the Department of General Services to develop and publish an RFP to solicit bids
 - To have the RFP request incentives, including free rent, from bidders.
 - To ensure that the bid contains minimum requirements which all bidders must meet and preferences that would be weighted to select the best proposal.
 - To have a recommendation ready for the full ICOC to consider at the earliest possible time – estimated at 3/1/2005.

- In addition, the committee members expressed support for the following:
 - Bids should be solicited from all areas of the state.
 - Bids should involve local government entities (only cities applied) and building owners in partnership.
 - The selection process should involve a site visit by the members of the committee as part of the scoring process.

1/24/2005 to 2/23/2005

After this meeting, CIRM staff partnered with DGS to develop a proposed RFP document that would comply with state bidding requirements and meet the desire of the committee as expressed above.

2/24/2005 Meeting

- The committee reviewed the RFP document, and made several changes, mostly to move some requirements to preferences and to provide more discretion to bidders in the preferences.
- The committee also approved a timeline that required providing a recommendation for a winner and runner up to the full ICOC by the 5/6/2005 meeting. The timeline required an evaluation of the bids by a DGS/CIRM team, scaling down of bids to 4 or 5 finalists and visits by members to the finalist sites.
- The committee also supported the requirement that bids be complete when submitted and that no amendments after submission be allowed.

2/25/2005 to 4/12/2005

The RFP was revised to reflect the committee's input and was issued on 2/28/2005. Bids were due on 3/16/2005. The RFP included minimum

requirements for both the government entity and the building owner. Each proposal, which met all minimum requirements, was then evaluated based on the RFP Preferences. Ten bids, involving seventeen cities, were received. A list of the bidders is given in Attachment A.

An evaluation team consisting of six team members – three from DGS and three from CIRM – was formed to evaluate the proposals and make a recommendation to the Site Search Committee. The team members were: Rebecca Donnachie, Staff Real Estate Officer, DGS; Eddie Chu, Staff Space Planner, DGS; Sheral Gates, Assistant Chief of Professional Services, DGS; Amy Duross, Chief of Staff, CIRM; Christina Olsson, Legal Associate, CIRM; and, Walter Barnes, on loan to CIRM from the State Controller’s Office.

Prior to opening the ten bids, the team developed an evaluation plan and scoring document. Each government entity and building owner preference category was assigned a point value for a total of 200 possible points. A copy of the scoring method, which incorporates the evaluation plan, is provided in Attachment B and an explanation of the point value assigned to each of the preferences is given in Attachment C.

The evaluation and scoring of each bid was done by team consensus. The evaluation team began the process of evaluating each bid by first determining if the bid met all the minimum requirements in the RFP. Of the ten bids received, only four met all the minimum requirements. In case the evaluation team overlooked certain information imperative to the bidders’ proposals, each of the six bidders considered to be non-compliant with any of the minimum requirements of the RFP was contacted via email and asked to identify if and where in the submitted proposal those minimum requirements had been met. None of the email responses received indicated where in the RFP the information was referenced. No additional information was considered at that stage. The evaluation team deemed these six bids to have failed the minimum requirements. A list of the minimum requirements that were not met by these six bidders is provided in Attachment D.

The evaluation team next scored the preferences of each of the remaining four bids. Some value points were assigned based on the information in the bids and other value points were assigned based on a comparison of information provided in each of the four bids. Of the 200 possible points, the evaluation team assigned a high score of 158 points. The bidders in order of ranking after the initial evaluation were as follows:

San Francisco/250 King Street	158
Sacramento/One Capitol Mall	133
San Diego/11025 North Torrey Pines Road	116
Emeryville/5858 Horton Street Plaza	113

4/13/2005 Meeting

The Site Selection Committee took the following actions:

- Approved a recommendation to disqualify the six bidders that did not meet all minimum requirements.
- Approved the remaining four bidders as finalists.
- Tabled a motion to approve the preference points recommended by the evaluation team and invited finalists to provide clarification of their bid materials to ensure that the proposed preference points were accurate.
- Decided to meet on 4/25/2005 to consider bidders' clarification of their scores.

4/14/2005 to 4/24/2005

CIRM staff contacted each city and asked for the clarification requested by the committee and then the CIRM/DGS evaluations team analyzed the responses.

4/25/2005 Meeting

The Site Selection Committee took the following actions:

- Approved the DGS/CIRM evaluation team revised recommendation for preference points as follows (see Attachment E):

San Francisco	158 (no change)
Sacramento	135 (two additional points)
San Diego	127 (eleven additional points)
Emeryville	119 (six additional points)

- Decided to conduct site visits as noticed public meetings.
- Decided on the categories and points that the site committee would award based on the information gathered during the site visit (see Attachment F).
- Decided to provide the following information for all finalists to the ICOC at its 5/6/2005 meeting:
 - Total points awarded by the evaluation team.
 - Total points awarded by the Site Selection Committee members based on the site visits.
 - Total of the evaluation team and site visits points.
- Decided to recommend to the ICOC that the city with the most points be approved as the winner and the city with the second most points be approved as the runner up.

4/29 – 5/1/2005 Site Visit Meetings

Site visits were held at each of the finalist cities. These were noticed meetings, accessible to the public and media. The cities were allowed to set the itinerary.

5/2/2005 Meeting

The committee decided to take the following actions.

- Allow all members to cast votes based on the site visits.
- Agreed that, prior to the vote, each member who attended site visits would provide comments on the strengths and weaknesses of each proposal and then allow members who didn't attend to ask questions.
- Agreed that an average of all votes cast would be used to determine the points awarded for individual and total site visit categories.

The individual members then cast their votes, which were tabulated by CIRM staff. The scores assigned by each member are given in Attachment G. In summary they were:

<u>City</u>	<u>Site Visit Points</u>	<u>RFP Points</u>	<u>Total</u>
Emeryville	52.71	119	171.71
Sacramento	65.50	135	200.50
San Diego	72.88	127	199.88
San Francisco	64.75	158	222.75

After the vote, the Site Selection Committee took the following actions:

- Agreed to submit both Sacramento and San Diego as runner up candidates because their final total scores were nearly identical.
- Agreed to allow San Francisco, Sacramento and San Diego to each make a 10 minute presentation to the full ICOC at the 5/6/2005 meeting prior to the ICOC's final decision.

ATTACHMENTS

- Attachment A – List of Bidders
- Attachment B – Copy of Scoring Chart
- Attachment C – Point Value Assigned to Each of the Preferences
- Attachment D – List of Failed Minimum Requirements for Six Disqualified Bidders
- Attachment E – Matrix Showing Points Awarded to each of Four Finalist Bidders
- Attachment F – Scoring Sheet for Site Visits
- Attachment G – Site Visit Scores