



Board of Supervisors Memorandum

August 17, 2020

Board of Supervisors August 17, 2020 Consent Agenda Item #31 – Acquisition Agreement, Special Warranty Deed and Declaration of Cross Access and Parking for Warehouse Located at 350 South Toole Avenue

Background

The Health Department (HD) warehouse on South Apache Park Place has been the main storage location for our programmatic needs over the years. This 15,000 square foot warehouse has two offices, one conference room, and three cubicles for staff. Staffing at this location includes two Warehouse Techs, one Courier and one Warehouse/Procurement Manager. Historically, the HD warehouse has maintained an average stock of 180 pallets of program material, including clinical medications, vaccines and supplies that are researched and procured from the warehouse. The HD warehouse on average receives 7 to 10 dock orders a week and makes daily distributions to the various health department locations throughout Pima County. In addition, warehouse staff transports and sorts all department mail. Daily tasks include coordinating pickup and delivery of cash deposits and warrants at the Treasurer's Office.

COVID-19 Response

The HD is responsible, as part of the COVID-19 emergency response, to procure necessary items to provide the community with adequate supplies to treat those in need. As part of this effort, procurement and distribution of significant Personal Protective Equipment (PPE) was required. Additional receiving, storage, operating and distribution areas, as well as staff, were needed to respond to the demand. The warehouse went from four to 12 staff to keep up with the volume. Staff are currently assigned to help receive, inventory, breakdown items, store, pick up and distribute orders, in addition to the normal duties for the HD.

Since the start of the response in March 2020, the HD has received almost 800 pallets of PPE. These items, along with the 400 pallets that were already in the warehouse, lead to an immediate need for a larger centralized location. A second warehouse was identified to help receive and store items while the Apache Park Place warehouse acted as the main distribution point. The second warehouse is Thurber Hall located at the Pima Fairgrounds approximately 20 miles, or 25 minutes from downtown. The Fairgrounds has worked as an auxiliary short-term storage location. However, this warehouse is not feasible as a long-term distribution point, due to the location, ongoing events, lack of air conditioning and poor security. Feedback from many organizations picking up from Thurber Hall indicated that the location was not ideal to serve as a distribution center. Because our two warehouse locations are nearly 30 minutes apart, we have four National Guard working 40 hours a week. Their support has been essential to maintain the high and immediate level of response that is needed.

The Honorable Chairman and Members, Pima County Board of Supervisors
Re: **Board of Supervisors August 17, 2020 Consent Agenda Item #31 – Acquisition Agreement, Special Warranty Deed and Declaration of Cross Access and Parking for Warehouse Located at 350 South Toole Avenue**

August 17, 2020

Page 2

The throughput on the Apache Park Place warehouse is inadequate to receive, store and distribute on the scale that has now become normal. A new warehouse sufficient to support warehouse crews, meet our current and future square footage needs and with adequate receiving docks and distribution areas is needed. As noted above, the current warehouse space available at Apache Park Place is 15,000 square feet; however, our current needs are for 35,000 square feet of warehouse space and 4,000 to 5,000 square feet for office space. This sized space will enable us to store our pre-COVID supplies, our current stockpile for PPE and other items that have been acquired such as ventilators and the pop-up clinic materials. We are committed to creating and maintaining a 3-month supply of items to meet the pandemic needs that have been requested from the community.

Vaccine for Preventable Disease Program

Pima County Health Department Vaccine Preventable Disease Program maintains responsibility over purchased vaccine inventory and vaccine inventory provided by Arizona Department of Health Services. Program representatives spend approximately 20 hours weekly on vaccine check-in and vaccine deployment to HD sites, assuring appropriate temperature, storage monitoring and reallocation of vaccine and vaccine administration products. The Vaccine Preventable Disease Program requires ongoing presence, access, and office space at the current HD warehouse. The HD is preparing for large-scale distribution of COVID-19 vaccine by late fall 2020 to winter 2021. The Vaccine Preventable Disease Program will lead this community effort, augmenting the need for in-person operations, potentially 7-days weekly, at the Pima County warehouse. Current vaccine storage space is inadequate and lacks proper storage equipment to meet the storage needs for anticipated COVID-19 vaccine.

Health Department Emergency Operations Center

Currently Pima County Health Department maintains a small Health Emergency Operations Center (HEOC) at the Theresa Lee Health Center, with space for 8 to 10 staff without social distancing requirements. Emergency Operations for COVID-19 have exhibited the need to cohort up to 24 staff at a central location to provide EOC functions to Pima County on behalf of Public Health. Additionally, there is a need for floor space to serve a dual function for both training and meeting space, centrally located for Pima County staff, while not in use for the HEOC.

Post COVID-19

The COVID-19 response has set community precedence that the Pima County Health Department stands ready to support community healthcare agencies, providers and public health stakeholders, as necessary during disease outbreak and other public health threats. Large scale community-focused distribution of PPE, sanitation supplies, vaccine, and vaccine

The Honorable Chairman and Members, Pima County Board of Supervisors
Re: **Board of Supervisors August 17, 2020 Consent Agenda Item #31 – Acquisition Agreement, Special Warranty Deed and Declaration of Cross Access and Parking for Warehouse Located at 350 South Toole Avenue**

August 17, 2020

Page 3

administration supplies are applicable in a post COVID-19 world for situations pertaining to influenza surge, vaccine preventable disease outbreaks and other emerging public health threats. The ongoing utilization of community electronic survey tools to request and distribute equipment and supplies has been well received by our partners and will serve as the basis for all supply distribution, both internal and external, moving forward. Along with expansion of the physical warehouse footprint, Pima County Health Department looks forward to development and implementation of software systems to expedite ordering, shipping, receiving and inventory.

Purchase of Warehouse Space at 350 South Toole Avenue

The warehouse located at 350 South Toole Avenue is capable of meeting our current and anticipated warehousing needs for the next five years based on current expectations. The location provides for expanded Health Emergency Operation Center capacity, with open floor space to accommodate 24 staff workstations and could serve as a redundant location to the Pima County Emergency Operations. The location provides sufficient floor area and cold storage space required to stand up a Point of Dispensing location for the COVID-19 vaccine.

The warehouse building totals 43,500 square feet of office/warehouse that was appraised for \$3,350,000 as of June 12, 2020. The proposed contract for purchase is at the appraised value. The building is in good condition with functional office space totaling 7,875 square feet and warehouse space totaling 35,625 square feet. A portion of interior warehouse was previously improved with cold storage rooms that can be reestablished for cold storage of PPE and vaccines. There are delivery docks for receiving material and roll up doors and loading ramps for transfer of material to agencies. The building has security systems in-place for interior and exterior monitoring, high ceilings to accommodate stacking and shelving, upgraded insulation in walls and ceilings, and refrigerated air, which is required for the storage of PPE and vaccines. The location is easily accessible from all parts of Pima County, with sufficient code-compliant parking for current and future needs.

The agreement to purchase includes cross easement allowing for movement of vehicles on site and through the adjacent site. Overall, there is limited inventory of industrial warehouse buildings available in the Tucson market. This scarcity, combined with the building attributes of the 350 South Toole Avenue, makes this building an excellent candidate for purchase by Pima County for occupancy by the Pima County Health Department.

Recommendation

It is recommended that the purchase contract, special warranty deed and cross access agreement, be approved at the appraised value of \$3,350,000. CARES Act funds reimbursed to Pima County for other eligible expenses will be allocated to cover the purchase of the warehouse. Acquisition of the building allows for Pima County Health Department

The Honorable Chairman and Members, Pima County Board of Supervisors
Re: **Board of Supervisors August 17, 2020 Consent Agenda Item #31 – Acquisition Agreement, Special Warranty Deed and Declaration of Cross Access and Parking for Warehouse Located at 350 South Toole Avenue**

August 17, 2020

Page 4

effectively respond to various forms of public health threats through a centralized storage and distribution location that is able to house staff in one building leading to enhanced response times, as well as improved overall emergency response operational and logistical efficiencies.

Sincerely,



C.H. Huckelberry
County Administrator

CHH/lab – August 10, 2020

c: Jan Leshar, Chief Deputy County Administrator
Francisco García, MD, MPH, Deputy County Administrator and Chief Medical Officer,
Health and Community Services
Carmine DeBonis Jr., Deputy County Administrator for Public Works
John Voorhees, Assistant County Administrator
Dr. Theresa Cullen, Director, Health Department
Jeff Guthrie, Director, Office of Emergency Management
Jeffrey Teplitsky, Manager, Real Property Services