



Health and Human Services Agency

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BEHAVIORAL HEALTH DEPARTMENT

NEVADA COUNTY BOARD OF SUPERVISORS

Board Agenda Memo

MEETING DATE: August 12, 2025

TO: Board of Supervisors

FROM: **Phebe Bell**

SUBJECT: Resolution authorizing the Behavioral Health Department to contract with Crestwood Behavioral Health, Inc. to Design and Build an inpatient psychiatric facility to better serve the residents of Nevada County in the maximum amount of \$17,970,738 for the contract term of August 12, 2025, through June 30, 2027.

RECOMMENDATION: Approve the attached Resolution.

FUNDING: This project will be funded primarily by Department of Health Care Services (DHCS) Behavioral Health Continuum Infrastructure Program (BHCIP) grant funds.

Additionally, Behavioral Health (BH) realignment and Patient Care revenue funds currently residing in fund balance will be used to meet the required cash match to the BHCIP funds. This use of funds was affirmed by the Board with the Board's approval of Reso 24-592 for applying to the grant including the match requirement. The source of fund balance is in line with the intent of payment reform which generated the fund balance. The contract will be terminated if the grant agreement with DHCS is not executed, supported by termination language in the contract. A budget amendment will be brought to the board as part of the BHCIP grant acceptance. There are no county general fund dollars required in the agreement.

BACKGROUND: DHCS launched the BHCIP to address historic gaps in the behavioral health care continuum and meet the growing demand for services and support across the life span of vulnerable individuals in need. The State priorities for BHCIP are facilities that address urgent needs in the care continuum for people with mental health or substance use conditions. The State is particularly interested in residential facilities that provide comprehensive treatment for community members, and particularly those experiencing behavioral health crises.

On November 12, 2024, per Resolution 24-592, the Board of Supervisors authorized Nevada County Behavioral Health BHCIP grant of \$23,713,907.78 for an inpatient facility, a critical missing piece in our local continuum of care. This project means that Nevada County community

members will no longer need to travel out of the county for these essential services. This will allow for more robust local connection with family and loved ones, more integrated care with better coordination to post-discharge services and ensure Behavioral Health dollars are spent in our local economy. In addition, such a facility will reduce demands on ambulance services, hospital emergency departments and the jail by reducing travel times and alleviating long wait times for available beds.

Prior to applying for these grant funds, Nevada County Behavioral Health collaborated with the Purchasing Department to develop Request for Proposals (RFP) No. 190141: Behavioral Health Continuum Infrastructure Program Development to seek partners interested both in designing and building a facility as well as operating this facility. Forty-seven firms downloaded the RFP documents, and five proposals were received. An evaluation panel comprised of subject matter experts selected and ranked Crestwood Behavioral Health as the top ranked firm to support this project.

On December 10, 2024, through Resolution 24-621, the Nevada County Board of Supervisors authorized the Behavioral Health Department to accept Crestwood Behavioral Health, Inc. (CBHI) as the awardee from the Request for Proposals process. The Behavioral Health Department has entered into a three-phase contracting process with CBHI. In Phase One, a small purchasing level contract was enacted that funded CBHI to conduct initial project planning and design, including completing a schematic design and project budget necessary for the grant application. The facility being designed will be located on County owned land, specifically on the property located next to the Wayne Brown Correctional Facility.

The County has selected the Design-Build project model, a proven approach for large-scale public works that offers a more efficient, cost-effective way to deliver complex projects on time and within budget. This Resolution is requesting approval of the Phase Two contract which is a comprehensive Design-Build contract with CBHI. In addition, this project model has been utilized in other jurisdictions, and by CBHI specifically for this type of building.

This contract, if approved by the Board, will authorize and fund CBHI to conduct all aspects of the construction project including design, with oversight and control by County staff. The Design-Build contract will be paid for with BHCIP grant funds and some department matching funds. Nevada County Behavioral Health is currently engaged in a lengthy process with the State to finalize the BHCIP grant contract prior to bringing it back to the Board of Supervisors for consideration. If the contract accepting BCHIP grant funds is not executed, this Design Build contract with CBHI will be terminated. The Design Build contract is coming forward first so that project design and planning can begin now. All costs associated with this early planning phase are billable to the grant and this early work is critical for maintaining grant required construction timelines. With design and planning work commencing immediately, actual construction and groundbreaking is anticipated in early 2026.

Lastly, the Phase Three contract will be written and brought to the Board near construction completion. The Phase Three contract is intended to govern the provision of services and operations at the site.

It is recommended that the Board approve this Design-Build contract with CBHI to further our ability to construct this inpatient treatment center in a timely and efficient way. Completion of this facility will ensure Nevada County residents can have access to critical treatment services in our community.

Approved by: Phebe Bell, MSW, Behavioral Health Director