

RESOLUTION NO. .

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

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MEASURE K: RESOLUTION AUTHORIZING THE DIRECTOR OF PUBLIC WORKS TO: A) EXECUTE A TRANSFER AGREEMENT BETWEEN THE COUNTY OF SAN MATEO AND FIDELITY AND DEPOSIT COMPANY OF MARYLAND (“SURETY”) FOR THE COMPLETION OF THE SERENITY HOUSE PROJECT (PROJECT NO. PC023) SUCH THAT FIDELITY WILL ASSUME ALL CONTRACTUAL RESPONSIBILITIES AND SHALL BE ENTITLED TO PAYMENT FOR WORK PERFORMED UNDER THE TERMS AND CONDITIONS SET FORTH IN THE AGREEMENT WITH FEDERAL SOLUTIONS GROUP, INC.; AND B) AUTHORIZE PAYMENTS TO FIDELITY AND DEPOSIT COMPANY OF MARYLAND, AS THE SURETY, IN AN AMOUNT UP TO \$1,684,789.99 FOR PAYMENT OF OUTSTANDING FINANCIAL OBLIGATIONS FOR WORK ALREADY PERFORMED BY AND UNPAID TO FEDERAL SOLUTIONS GROUP, INC. AND FOR WORK PERFORMED UNDER THE TRANSFER AGREEMENT; AND C) EXECUTE SUBSEQUENT AMENDMENTS, CHANGE/REVISION ORDERS, AND FINANCIAL AND ADMINISTRATIVE ACTIONS NECESSARY TO FACILITATE THE TRANSFER AND COMPLETION OF THE PROJECT BY FIDELITY AND DEPOSIT COMPANY OF MARYLAND SUCH THAT THE TOTAL FISCAL OBLIGATION FOR THIS PROJECT DOES NOT EXCEED \$2,835,000; AND D) EXTEND THE TERM OF THE AGREEMENT WITH FIDELITY AND DEPOSIT COMPANY OF MARYLAND FROM MARCH 30, 2018 THROUGH SEPTEMBER 30, 2018

RESOLVED, by the Board of Supervisors of the County of San Mateo, State of California, that

WHEREAS, the Serenity House project is a facility renovation that will convert a former dependent children’s home into a mental health crisis residential facility and provide an alternative to hospitalization or incarceration for adults with mental illness and/or substance abuse issues; and

WHEREAS, on September 6, 2016, this Board adopted Resolution 074784 which approved plans and specifications and called for sealed bids for the Serenity House project (PC023); and

WHEREAS, on December 13, 2016, this Board adopted Resolution 074956 which authorized the execution of a construction contract with Federal Solutions Group, Inc. in an amount not-to-exceed \$2,585,000 based on the contractor's bid amount of \$2,350,000 and a contingency amount of \$235,000; and

WHEREAS, on August 8, 2017, this Board adopted Resolution 075397 which increased the total contract amount by \$250,000 to a new, not-to-exceed amount of \$2,835,000 and extended the contract term from December 12, 2017 to March 30, 2017, due to unforeseen site conditions during construction; and

WHEREAS, on November 16, 2017, the County was notified that Federal Solutions Group, Inc. is financially unable to complete the performance of work or comply with its contractual obligations provided under their contract with the County; and

WHEREAS, the County, in exercising its rights under the Performance and Payment Bonds, needs to execute a Transfer Agreement to the Surety provider, Fidelity and Deposit Company of Maryland, to complete the project under the terms and conditions set forth in the contract with Federal Solutions Group, Inc.; and

WHEREAS, the Department of Public Works recommends extending the term of the agreement with Fidelity and Deposit Company of Maryland to allow sufficient time to execute an agreement, resolve any financial obligation for service incurred under the agreement with Federal Solutions Group, Inc. and transfer the project to a new contractor.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board of Supervisors hereby authorizes the Director of Public Works to:

1. Execute a Transfer Agreement between the County of San Mateo and Fidelity and Deposit Company of Maryland (Surety) for the completion of the Serenity House project such that Fidelity will assume all contractual responsibilities and shall be entitled to payment for work performed under the terms and conditions set forth in the agreement with Federal Solutions Group, Inc.
2. Authorize payments to Fidelity and Deposit Company of Maryland, as the Surety, in an amount up to \$1,684,789.99 for the payment of outstanding financial obligations for work already performed by and unpaid to Federal Solutions Group, Inc. and for work performed under the Transfer Agreement.
3. Execute subsequent amendments, change/revision orders, and financial and administrative actions necessary to facilitate the transfer and completion of the project by Fidelity and Deposit Company of Maryland (Surety) such that the total fiscal obligation for this project does not exceed \$2,835,000, which includes a \$235,000 contingency.
4. Extend the term of the agreement with Fidelity and Deposit Company of Maryland from March 30, 2018 through September 30, 2018.

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