



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
County Manager



Date: February 9, 2017
Board Meeting Date: February 28, 2017
Special Notice / Hearing: None
Vote Required: Majority
4/5ths (for ATR)

To: Honorable Board of Supervisors

From: John L. Maltbie, County Manager
Doug Koenig, Interim Director of Project Development Unit

Subject: San Mateo Health System Campus Master Plan and Agreement with Taylor Design

RECOMMENDATION:

Adopt resolutions authorizing:

- A) The County Manager or the Manager's designee to execute an agreement with Taylor Design to provide Architectural and Engineering design services in an amount not to exceed \$7,124,270; and
- B) The Director of Project Development Unit or the Director's designee to execute contract amendments which modify the County's maximum obligation by no more than \$712,427 or 10% of total contract value (in aggregate), and/or modify the term and/or services; and
- C) An Appropriation Transfer Request (ATR) in the amount of \$15,673,394, transferring \$7,836,697 from the Accumulated Capital Outlay Fund to the Other Capital Construction Fund.

BACKGROUND:

The San Mateo Health Services Building, located at 225 37th Avenue in San Mateo, was constructed in 1952. The Hospital Administration Building that is located adjacent to the Health Services Building was constructed in 1954.

Pursuant to the Hospital Seismic Safety Act, and requirements of the Office of Statewide Health Planning and Development (OSHPD), if the Administration Building is to remain in operation in its current form, it must undergo significant and costly seismic retrofitting. Non-structural retrofits, which would be anticipated to cost approximately \$20 million, must be completed by 2020 with structural retrofits, which would be anticipated to cost significantly more, in place by 2030.

.
. .
In view of the retrofit requirements, to fully understand the future of the campus, and to create a comprehensive recommendation regarding its future, in February 2016, the Department of Public Works (DPW) commissioned a Master Plan study for the entire Health System Campus. As part of this study, key stakeholders from the Health System, DPW, and the Project Development Unit (PDU) were interviewed, community meetings were conducted, previous studies were reviewed, and a thorough evaluation of the services provided by the Health System and their network of locations was completed. The study identified three ways to address the Administration Building retrofit requirements:

1. Demolish the Health Services Building and retrofit the Hospital Administration Building,
2. Demolish the Services Building and structurally detach the Administration Building from the hospital building, removing it from OSHPD jurisdiction,
3. Demolish the Services Building and the Administration Building, renovate the ground floor of the Nursing Tower to accommodate essential OSHPD functions and construct a new administrative building or relocate administrative functions,

The Health System, DPW, and the PDU jointly recommend Option 3 as it will improve clarity in campus navigation, allow patients and families greater access to services, create open green space, provide optimal work space for staff, and create additional parking spaces without construction of a parking structure. In addition, the County will be able to direct funds to the modernization and improvement of the Health System campus, rather than to the retrofitting of an out-of-date administrative building.

To develop plans for any of the three options listed above within the timelines required by OSHPD, the County must have the services of an experienced health care architect. Through this resolution, the Project Development Unit requests authorization to contract with Taylor Design for the provision of these services.

DISCUSSION:

In May 2013, DPW issued a Request for Proposals (RFP) for qualified architects for projects related to County hospitals and clinics. Hospitals and clinics are specialized and subject to OSHPD jurisdictional requirements. Following a rigorous process, a selection committee comprised of interdepartmental staff reviewed and ranked submissions received from 25 qualified firms and selected Taylor Design.

Taylor Design has vast experience designing and delivering health care projects. It also has strong knowledge of the Health System's infrastructure and specific expertise and knowledge of complex OSHPD requirements.

If authorization to enter into an agreement with Taylor Design is granted, an agreement will be entered into for the full scope of design, architectural, and engineering services to the County related to the options set forth above. The scope of their work will include interfacing with OSHPD to obtain any required waivers, exemptions, or required permits.

.
. .
The agreement with Taylor Design will be for an amount not to exceed \$7,124,270 and a term commencing February 28, 2017 through February 27, 2020. If approved, the Director of the PDU or his/her designee will be authorized to execute contract amendments which modify the County's maximum obligation by no more than \$712,427 or 10% of total contract value (in aggregate), and/or modify the term and/or services.

County counsel has reviewed and approved the resolution as to form.

The resolution contributes to the Shared Vision 2025 outcome of a Collaborative Community by advancing projects that provide regional benefits to San Mateo County residents by modernizing County health services.

FISCAL IMPACT:

The agreement with Taylor Design will be for a term commencing February 28, 2017 through February 27, 2020. The agreement is for an amount not to exceed \$7,124,270.

The Appropriation Transfer Request transfers \$7,836,697 from the Accumulated Capital Outlay Fund to the Other Capital Construction Fund for the agreement costs as well as the 10% contingency.

Depending on option selected, existing capital maintenance projects currently planned for these buildings may be delayed or cancelled, and the funds appropriated for those projects will be reallocated to other important projects.