



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY EXECUTIVE

File #: 24-166

Board Meeting Date: 3/12/2024

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Michael P. Callagy, County Executive
Sam Lin, Interim Director, Project Development Unit

Subject: South San Francisco Wellness Center Budget and Guaranteed Maximum Price

RECOMMENDATION:

Adopt a resolution authorizing:

- A) The President of the Board of Supervisors to execute an amendment to the agreement with XL Construction Corporation, in a form substantially similar to that attached, for construction of the South San Francisco Wellness Center establishing a Guaranteed Maximum Price of \$97,181,534; and
- B) The County Executive or designee and the Director of the Project Development Unit or designee to execute amendments and change orders to the agreement that increase the maximum fiscal obligation by no more than \$4,859,076.70, five percent in aggregate; and
- C) A total project budget of \$132,572,704 for the South San Francisco Wellness Center Project; and
- D) The County Executive, or designee, to take all actions that are consistent with and/or necessary to implement and carry out the intent of this resolution, including execution of additional amendments and agreements.

BACKGROUND:

In March of 2017, this Board held a Study Session to consider the recommendations for capital improvements made in completed Feasibility Studies and Master Plans to address County use of leased space, aging facilities, public accessibility and navigation, parking, environmental standards, and efficiency of employee workspaces. At the session, direction was given to the County Executive to move forward with the recommended capital improvements.

Among the anticipated capital projects is the South San Francisco Wellness Center located at 1024

Mission Road, South San Francisco, and this will house the Medical Clinic, Human Services Agency, District Attorney, and other County Departments to be determined. The Wellness Center Project includes demolition of the Probation Building which has outlived its useful life, temporary relocation of the Probation and Tax Collector functions to modular units on site, permanent relocation of the Probation and Tax Collector functions to the North County Superior Court Building, and construction of a new Wellness Center.

The new Wellness Center will be a strategic County outpost creating a one stop shop for residents needing services that are convenient to public transportation like BART and SamTrans. The City of South San Francisco has committed to adding a stop near the campus for free shuttle services to the city residents. The existing San Mateo Medical Clinic at SSF had 15,290 patient visits in FY22. These patient visits focused on primary and specialty care services. The current clinic has an unmet need for dental, primary and specialty care services which will be addressed with the new facility. The Health System is projecting that the new clinic, with expanded space and staffing, will be able to provide medical services to approximately 34,000 patients.

The facility, designed by the architect SmithGroup, will be approximately 77,000 square feet with adequate surface parking for the public and staff. The building will be constructed of cross-laminated-timber, all-electric, and designed to target LEED Gold certification. A solar roof top and carport photovoltaic array will be installed to offset building electricity consumption, reducing its carbon footprint.

DISCUSSION:

In May 2019, this Board approved a construction manager at risk agreement with XL Construction Corporation. The initial valued covered preconstruction work and certain anticipated indirect project costs. The amendment anticipates establishment of the guaranteed maximum price (GMP) at substantial completion of design through competitive procurement of subcontracts and captures change orders one through five.

Resuming after a pause during the global pandemic, project programming, construction documents, and competitive sub-contractor bidding has, with limited exceptions, been completed. Based on, *inter alia*, the award of trade subcontracts, preconstruction work completed, project general conditions, project general requirements, bonds, insurances, taxes, and allowances, including allowances for tenant improvements for spaces with an identified tenant, the GMP for the construction of the South San Francisco Wellness Center is \$97,181,534. The project will be constructed by union labor.

In addition to ensuring appropriate pricing through competitive procurement, the County has engaged a third-party estimating firm TBD Consultants to prepare an independent cost estimate, which validated project pricing.

The Project Development Unit, in collaboration with the Health System, the Human Services Agency, the District Attorney, the Probation Department, the Department of Public Works, the Information Services Department, the architect of record, and XL Construction have worked diligently through development of the design, permitting, programming, and bidding to minimize additional costs, capture savings due to favorable market conditions, and develop solutions and strategies that are timely, effective, and fiscally responsible. PDU recommends that this Board authorize the requested GMP for construction of the Project and the overall project budget.

County Counsel has reviewed and approved the Resolution as to form.

EQUITY STATEMENT

The County of San Mateo is dedicated to ensuring equitable access to quality health care for all. The facility, upon completion, will provide a new and inviting space for residents to obtain health, dental, and optometry services that will positively impact health outcomes. The residents served at the facility, including those for whom obstacles are the greatest, will receive the tools and resources they need to achieve health and well-being. This project provides access to service areas identified through demographic assessment as in need of improved access to care.

FISCAL IMPACT:

The South San Francisco Wellness Center total budget of \$132,572,704 will be funded from a combination of Measure K and general funds. On October 8, 2019 through Resolution 076971, this Board of Supervisors authorized the County to execute the agreement with XL Construction Corporation in the amount of \$26,924,887. This Board will be kept updated regarding Resolution 079949, which authorized the County of San Mateo to reimburse expenditures through future bond issuance, in relation to, the South San Francisco Wellness Center Project.