



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY MANAGER

File #: 16-376

Board Meeting Date: 7/11/2017

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: John L. Maltbie, County Manager

Subject: Approval of an MOU with the San Mateo County Exposition and Fair Association to Transfer \$2,933,482 to be Used for Repair of the Parking Areas on County-Owned Land

RECOMMENDATION:

Adopt a resolution authorizing the County Manager, or his designee, to execute a memorandum of understanding with the San Mateo County Exposition and Fair Association, and any other appropriate documentation, to effectuate the transfer of \$2,933,482 to be used for repair of the parking areas on County-owned land.

BACKGROUND:

The County of San Mateo ("County") is the owner of the San Mateo County Event Center ("Event Center"), in the City of San Mateo, which is used for conferences, conventions and expositions. The Event Center is managed by a non-profit organization, the San Mateo County Exposition and Fair Association ("Association"), pursuant to the "Agreement Providing for Conduct of San Mateo County Fair and for Management of Event Center" (the "Event Center Management Agreement"), various forms of which have been in place since 1984.

The current Event Center Management Agreement contains provisions for the use, maintenance, and improvement of the Event Center. Specifically, Section 9 confirms that the County has ownership and control of all the Event Center property, and that the County and the Association will jointly perform major maintenance and capital improvements of all Event Center buildings and grounds. Where the County elects to undertake major maintenance or capital improvements to its Event Center property, the Association is responsible for the administration and supervision of those projects.

DISCUSSION:

The Association has identified a need to make improvements to the east parking lot surfaces at the Event Center, which have become increasingly uneven through normal aging and wear and tear. Improving the Event Center is in the interest of the County, which owns the property, in that it helps

maintain and ensure the safety of that property by rehabilitating and repaving the Event Center's east parking lot.

The project (the "Project") falls within the scope of Section 9 of the Event Center Management Agreement, and thus will be administered and supervised by the Association. To that end, the Association, at its own expense, has entered into an Individual Project Agreement with the California Fairs Financing Authority ("CFFA") to perform services and work including project management, plan review and approval, bid management, and construction inspections. The CFFA in turn solicited bids from qualified bidders, and on June 5, 2017- notified the lowest qualified bidder, O.C. Jones & Sons, of its intent to select it to perform contract services for the Project. O.C. Jones & Sons' winning bid amount of \$2,793,793.10 for materials, costs, and labor, was substantially lower than the next lowest bidder. The start date for O.C. Jones & Sons to commence work on the Project is July 24, 2017, with a scheduled completion date of August 31, 2017.

The County Manager seeks approval from the Board of Supervisors to execute a memorandum of understanding (MOU), and any other documentation as may be necessary or advisable, with the Association to effectuate the transfer of \$2,933,482.75, comprising \$2,793,793.10 for materials, costs, and labor, plus an additional 5% contingency of \$139,689.65, to fund the Project. Under the MOU, the County's funds shall be deposited in the Association's Capital Improvement Fund, which is maintained by the County's treasury. The County shall have the right to direct the Association, through its agent CFFA, to exercise its contractual right to access and examine its selected contractor's records and documents to determine compliance with relevant Federal, State, and local statutes, rules and regulations, and this Agreement, and to evaluate the quality, appropriateness and timeliness of services performed by the selected contractor. The MOU also provides that any amount not expended for the Project, including any interest earned, will be returned to the County within 15 business days of the date the Association makes its final payment to O.C. Jones & Sons.

FISCAL IMPACT:

This is 100% Net County Cost.