



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY MANAGER

File #: 16-758

Board Meeting Date: 11/21/2017

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: Debbie Bazan, Director of Project Development Unit
Subject: Regional Operations Center Project

RECOMMENDATION:

Adopt a resolution authorizing:

- A) An increase in the total project budget for the Regional Operations Center (ROC) from \$35.2 million to \$58 million; and
- B) The Director of the Project Development Unit, or his/her designee, to execute change orders to the design build agreement with McCarthy Building Company up to an aggregate amount not to exceed \$3.1 million or 10 percent of their contract value.

BACKGROUND:

In January 2017, the County Manager's Project Development Unit (PDU) was formed to oversee and manage all ground up construction performed by the County of San Mateo. In March of 2017, your Board held a Study Session to consider the recommendations for capital improvements made in the Feasibility Studies and Master Plans to address the County's use of lease space, aging facilities, OSHPD compliance work, public accessibility and navigation, parking, environmental standards, and efficiency of employee work spaces. Direction was given to the County Manager and the PDU to move forward with the recommended capital improvements at the conclusion of the Study Session. The new approved and on-going Capital Projects total approximately \$500 million and are being managed by the PDU.

DISCUSSION:

On October 20, 2015, your Board approved a Design/Build Agreement with McCarthy Building Company for the construction of the Regional Operations Center in the amount of \$31,000,000. To date, including site preparation and construction costs, the Board has appropriated \$35.2 million.

The October 20, 2015 Board Memo set forth that the budget actions were only to fund the design and construction of the Regional Operations Center and that a separate request would be required to

fund Furniture, Fixtures, and Equipment (FF&E). The FF&E costs are estimated to be \$11,000,000 bringing the projected total to \$46.2 million.

Demolition of the existing buildings on the former motor pool site began in early 2016 and concluded in the late summer of 2017. This demolition included the known removal of two underground tanks. As demolition progressed a third underground tank was discovered as well as significant deposits of soil in need of removal or remediation. Additional testing and removal to a location certified to accept this soil was required. The estimated cost for the removal of the third tank, additional testing, and soil disposal is \$1,300,000, bringing the project total to \$47.3 million.

Due to these unforeseen circumstances, layout modifications to properly articulate different departmental operation needs, substantial unanticipated but required 3rd party inspections, testing mandated by the Building department on the foundation system and non-structural utility support system selected by the Contractor, project delays, the required cost of new emergency generators, necessary upgrades to the exterior skin of the building, radio, and telecom, emerging and increasing technology pricing, unanticipated fees/permits and project support contracts for this complex project, as well as substantial cost escalation in the over-heated Bay area construction market, the currently projected updated project total is \$58 million.

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

Approval of these actions will contribute to the Shared Vision 2025 outcome of Collaborative and Safe Community by advancing this project that will provide regional benefits to San Mateo County residents.

FISCAL IMPACT:

An additional \$22.8 million would need to be appropriated in future budgets to complete this project. There are sufficient Measure K reserves to fund these projected costs and maintain a 10% reserve.