



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY MANAGER

File #: 18-441

Board Meeting Date: 6/5/2018

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: Deborah Bazan, Director of Project Development Unit
Subject: COB3 and Parking Structure 2 Construction Manager at Risk Services Agreement

RECOMMENDATION:

Adopt a resolution authorizing the Director of the Project Development Unit, or his/her designee to:

- A) Execute an agreement for Construction Manager at Risk services with Truebeck Construction for the management of the construction for the County Office Building 3 and Parking Structure 2 in an amount not to exceed \$19,349,663; and
- B) Execute contract amendments and change orders that will increase the County's maximum fiscal obligation by no more than \$1,934,966 or 10% in aggregate and/or modify the contract term, terms, and/or services where authorized by law so long as it does not cause the total cost of construction for County Office Building 3 and Parking Structure 2 to exceed the current or revised fiscal provisions.

BACKGROUND:

In January 2017, the County Manager's Office formed the Project Development Unit (PDU) to oversee and manage County ground-up construction projects.

In March of 2017, the Board held a study session to consider various potential capital projects. The projects under consideration were recommended in County feasibility and master plan studies, as efficient long-term solutions to address: (1) the County's over-use of lease space; (2) the County's reliance on aging and outdated facilities; (3) upcoming costly mandatory seismic compliance work; (4) public accessibility and navigation challenges; (5) employee and public parking shortages at multiple facilities; (6) rising environmental standards; (7) staff growth; and (8) a need to update and modernize County work spaces. At the end of the study session PDU staff were directed to further pursue several projects, including the new County Office Building 3 (COB 3), Parking Structure 2 (PS 2), and related improvements to the campus promenade and plaza.

On November 21, 2017, the Board authorized an agreement with Studio Gang, founded by MacArthur Fellow Jeanne Gang, for architectural services for COB3. On the same date, the Board

authorized an agreement with Watry Design, specialists in parking structure design, for architectural services for PS 2. Since that time Studio Gang and Watry have worked collaboratively with County departments, officials, and PDU staff to develop, advance, and refine the design of COB 3 and PS 2.

On April 24, 2018, the Board held a study session to receive updates on ongoing capital projects, including COB 3 and PS 2. At this study session, PDU staff presented updated design, program, and cost estimate information related to these projects, as set forth in A-B below, and were given direction by the Board to proceed with design development and project planning.

A. County Office Building 3

COB 3 will be located at the site immediately to the East of the Hall of Justice. Based on the current design, it is anticipated that it will be an elevated structure, approximately 186,000 square feet in size, and contain four levels of office and common space. The ground level will consist of outdoor public space with a large enclosed multi-function board chambers for public meetings and events. The building footprint will utilize a significant portion of the site, requiring relocation of the Lathrop House and demolition of other buildings, possibly including the Traffic Court. Consistent with the County Municipal Green Building Policy, and in keeping with the County's goal of demonstrating leadership in sustainability, COB 3 will be designed to operate at Zero Net Energy (ZNE) and to achieve certification in Leadership in Energy and Environmental Design (LEED). The building will be occupied by 612 County employees, approximately 300 of whom will be relocating from the County Health System Campus. The COB 3 project includes construction of a public promenade and plaza along Hamilton Street, which would be closed to vehicle traffic. Creation of the promenade and plaza would create open space for County employees and public use, while blending the new development to existing campus buildings.

Construction on COB 3 and the Promenade is slated to begin August 2019 with completion at the end of 2020. Based on current information related to the size of the structure, its green building elements, its iconic design, and projected construction costs in the highly competitive Northern California market, the total estimated project cost for COB 3 and the promenade is \$151,000,000.

B. Parking Structure 2

Parking Structure 2 will be located just north of the existing garage at the corner of Veterans and Middlefield. It is currently estimated that the structure will contain approximately 1,100 spaces, though the precise number has yet to be determined as Redwood City has expressed interest in contributing to the project in exchange for spaces and negotiations are ongoing. Consistent with the County Municipal Green Building Policy, Parking Structure 2 will be designed to operate at ZNE and to achieve LEED certification. Construction on this project is slated to begin August 2019 with completion in the fall of 2020. Based on current information related to the size of the structure, its green building elements, design, and projected construction costs in the area, the total estimated project cost for Parking Structure 2 is \$47,200,000.

DISCUSSION:

On November 16, 2017, the County issued a Request for Statement of Qualifications for Construction Manager at Risk (CMR) Services for COB 3 and PS 2. Four firms submitted responsive Statements of Qualifications, each was found to be qualified to receive the Request for Proposals, and three submitted proposals.

On May 7, 2018, a selection committee, comprised of representatives of the County Manager's Office, PDU, and the Board of Supervisors, with support from the Office of the County Counsel, interviewed and rated the proposals based on objective criteria including, among others, price,

qualifications, and experience. The selection committee chose Redwood City based Truebeck Construction, which provided a bid of \$19,349,966, to enter into contract negotiations for CMR services for the COB3 and PS 2 project.

The requested approvals and authorizations will contribute to the Shared Vision 2025 outcome of creating a Collaborative and Safe Community by advancing this project that will provide regional benefits to San Mateo County residents.

FISCAL IMPACT:

The total cost of the Construction Manager at Risk agreement with Truebeck is included in the project allotment approved by the Board for County Office Building 3 and Parking Structure 2 projects.