



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY MANAGER

File #: 18-808

Board Meeting Date: 9/4/2018

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: Deborah Bazan, Director of Project Development Unit
Subject: San Mateo Health System Campus Upgrade Project Construction Manager at Risk Agreement

RECOMMENDATION:

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

- A) An amendment to the agreement with Truebeck Construction, Inc. for the management of the construction for the San Mateo Health System Campus Upgrade Project increasing the agreement by \$80,877,984, for a new not to exceed amount of \$94,000,000; and
- B) Contract amendments and change orders which will modify the County's maximum fiscal obligation by no more than \$9,400,000 or 10% in aggregate of the total contract amount and /or modify the contract term and/or services so long as the modified term or services is/are within the current or revised fiscal provisions.

BACKGROUND:

The San Mateo Health Services building was built in 1952 and the adjacent Hospital Administration Building was built in 1954. To consider the future of these aging facilities and the campus where they sit, in February 2016, the County commissioned the Health System Master Plan Study.

Following the study, it was determined that the 1952 building had outlived its useful life and should be demolished, and it was also determined that the County should direct funds to the modernization and improvement of the Health System Campus, rather than to the state-mandated seismic retrofitting of the out-of-date 1954 building.

Following a March 28, 2017 Study Session, your Board authorized the construction of a new 70,000 SF non-OSHPD Hospital Administration Building, renovation of the Hospital Nursing Wing, and other campus improvements.

The Project will relocate approximately 300 County Staff from the heavily impacted Health System

Campus to other new developments within the County including the new County Office Building 3. The Project will also create a prominent and easily navigable entrance for the modernized Health System Campus.

On April 24, 2018, your Board authorized PDU to enter into an agreement with Truebeck Construction to provide Construction Manager at Risk services for the San Mateo Health System Campus Upgrade Project in an amount not to exceed \$13,122,016.

On August 7, 2018, your Board approved the project budget of \$120,000,000 for the San Mateo Health System Campus Upgrade Project.

DISCUSSION:

As the concept, design, programming, phasing, and scheduling for the San Mateo Health Campus Upgrade Project has progressed, the PDU has received and analyzed sufficient information upon which to develop a total Project construction cost estimate of \$94,000,000.

The recommended amendment to the Truebeck agreement, which increases the contract amount by \$80,877,984, will allow Truebeck to fulfill its role as Construction Manager at Risk for this Project by completing trade bidding and awarding all trade subcontracts. Upon completion of all trade bidding and award of trade subcontracts, and following approval of the Board, the County and Truebeck will complete and execute a Change Order establishing a Final Guaranteed Maximum Price.

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

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 this agreement is included in the San Mateo Health System Campus Upgrade Project's \$120 million budget.