



# County of San Mateo

## Inter-Departmental Correspondence

---

**Department:** COUNTY MANAGER

**File #:** 19-086

Board Meeting Date: 1/29/2019

---

**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** Michael Callagy, County Manager  
Deborah Bazan, Director of the Project Development Unit

**Subject:** T.B. Penick and Sons, Inc. Agreement Contingency Authority Increase

**RECOMMENDATION:**

Adopt a resolution authorizing the Director of the Project Development Unit or his/her designee to execute amendments and/or change orders to the agreement with T.B. Penick and Sons, Inc. by an additional \$500,000, modify the County's maximum fiscal obligation by no more than \$1,124,999 in aggregate, 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:**

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.

The Skylonda Fire Station No.58 is located at 17290 Skyline Boulevard adjacent to Alice's Restaurant. The original fire station consisted of one office and one cabin-style barracks building constructed in 1939. The fire apparatus is housed in a separate pre-fabricated steel framed building erected around 1950. The fire station structure is inadequate in size and has greatly deteriorated over the past eight decades.

During the FY 2013-14 budget process, this Board approved initial funding for the replacement of the Skylonda Fire Station office and barracks buildings. Following a detailed investigation in April 2014, staff reported to this Board that modifications would be necessary for site access and sewage disposal system remediation to conform to the current environmental health regulations. The initial project budget included \$4,100,000 in Measure A funds and \$4,000,000 in bond proceeds.

A Request for Qualifications was issued in April 2015 with 8 Design Build Entities (DBE) responding, of which the top three qualified DBEs were issued a Request for Proposal on July 8, 2015. Proposals were received on September 16, 2015 from T.B. Penick & Sons, Inc., Clarke/Sullivan, and Gonsalves & Stronk with a pricing spread of \$150,000. All three DEBs provided for a new Office/Barracks Building in addition to an improved driveway and updated septic system. However,

the proposal from T.B. Penick & Sons, Inc. also included and incorporated a drive-through Apparatus Building and a separate vehicle storage building.

T.B. Penick and Sons, Inc. was awarded the contract as the DBE on November 3, 2015. The new station contains barracks and administrative offices, conference and training rooms, and other related support services. The site will also have a circular driveway that will enable the fire apparatus to drive forward both into and out of the apparatus bay. The anticipated occupancy of the new fire station is in late March 2019, with Phase Two set to conclude in September 2019. The total project budget was increased to \$9,900,000 in August 2018.

#### **DISCUSSION:**

The original scope of work and cost estimates were based on replacing existing barracks, office structure, and septic system. The current conditions, site challenges (including earthwork and grading for unsuitable soils), fire protection infrastructure additions, added reserve septic field, added lighting, and heaters have led to additional scope changes and increased costs. PDU has issued \$546,718 in change orders or amendments and is approaching the original contingency authorization amount of 10% (\$624,999). PDU is requesting authorization for an additional \$500,000 to cover the potential cost of known and unknown additional change orders through the completion of the project.

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

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

#### **FISCAL IMPACT:**

Funding for this authorization is included in the Skylonda Fire Station project budget of \$9,000,000 and is included in the FY 2018-19 Adopted Budget.