



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY MANAGER

File #: 19-949

Board Meeting Date: 10/8/2019

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: Adam Ely, Director of the Project Development Unit
Subject: South San Francisco Health Campus Construction Manager At Risk Agreement

RECOMMENDATION:

Adopt a resolution authorizing:

- A) The President of the Board to execute an agreement for Construction Manager At Risk services with XL Construction Corporation in an amount not to exceed \$26,924,887 and in a form substantially similar to the attached draft agreement; and
- B) The Director of the Project Development Unit or designee to execute change orders to the Construction Manager At Risk agreement with the contracted firm up to an aggregate amount not to exceed 10 percent of the agreement value.

BACKGROUND:

In January 2017, the County Manager's Office formed the Project Development Unit (PDU) to oversee and manage all ground up construction performed by the County of San Mateo. In March of 2017, this Board held a Study Session to consider the recommendations for capital improvements made in the Feasibility Studies and Master Plans to address County use of lease space, aging facilities, California Office of Statewide Health Planning and Development 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.

Among the anticipated capital projects is the South San Francisco Health Campus located at 1050 Mission Road, South San Francisco. The 9.7-acre property currently houses the Superior Courts of California, Probation Department, a North County revenue collection office, and a vacated North County Jail. The Superior Courts of California, Probation Department, and revenue collection functions will remain at the North County Campus. The new Medical Office Building will provide numerous medical services such as express care, primary care and specialty care clinics, dental, and optometry services. The new proposed building is intended to be approximately 40,000 square feet with surface parking to provide adequate accommodations for public and staff. Consistent with the

policy, upgrades will be designed to operate at Zero Net Energy and to achieve Leadership in Energy and Environmental Design certification. Based on the conceptual design and current market conditions, the overall project budget is projected to be \$37,800,000.

Financial Breakdown

Price Source	Proposal Price Including Construction Allowance of \$22,300,000	Variance to Estimate
Engineer's Estimate	\$27,499,517.22	0
XL Construction	\$26,924,887.00	(\$574,630.22)
Swinerton	\$27,003,420.00	(\$496,097.22)
Layton Construction	\$26,793,254.00	(\$706,263.22)

DISCUSSION:

On April 26, 2019, PDU published a Request for Proposal for Construction Manager At Risk firms for the construction management of the South San Francisco Health Campus. On May 9, 2019, the PDU received timely proposals from 3 firms. On May 15, 2019, a selection committee selected XL Construction Corporation.

The recommended awarded amount includes pre-construction and construction. Following completion of trade bidding of all trade subcontracts, the County and Contractor will complete and execute a Change Order establishing the Final Guaranteed Maximum Price. The final form of agreement will be substantially similar to the attached draft agreement. PDU is presently finalizing details regarding reimbursement provisions that will not affect the agreement's not-to-exceed amount.

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:

\$4 million has been appropriated to the South San Francisco Health Campus Project in the Fiscal Year 2019-21 Recommended Budget. The remaining funds have yet to be appropriated.