



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY MANAGER

File #: 20-099

Board Meeting Date: 3/10/2020

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Michael Callagy, County Manager
Adam Ely, Director of Project Development Unit

Subject: Change Order to Truebeck Construction Manager at Risk Agreement to Establish Guaranteed Maximum Price for the County Government Center Parking Structure 2 Project; Final Project Budget

RECOMMENDATION:

Adopt a resolution authorizing:

- A) The President of the Board of Supervisors to execute a change order to the Construction Manager at Risk agreement with Truebeck Construction Inc. establishing a Guaranteed Maximum Price of \$47,339,858 for the County Government Center Parking Structure 2 Project;
- B) The Director of the Project of the Project Development Unit or designee to issue change orders that will increase the County's maximum fiscal obligation for the by no more than 10% in aggregate and/or modify the contract term and/or services so long as it does not cause the total cost of construction for the Parking Structure 2 Project to exceed the current or revised fiscal provisions; and
- C) A Final Project Budget of \$58,200,000 for the County Government Center Parking Structure 2 Project.

BACKGROUND:

In March of 2017, this 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efficient long-term solutions to address: (1) the County's use of lease space; (2) the County's reliance on aging and outdated facilities; (3) upcoming costly mandatory seismic compliance work; (4) public accessibility and navigation challenges; (5) employee and public parking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 and impacts 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 Project Development Unit (PDU)

staff were directed to further pursue several projects, including the County Government Center Parking Structure 2 (PS 2).

The new parking structure will provide parking for County agencies and employees in support of the County Government Center campus. The structure will be located on the corner of Veterans Boulevard and Middlefield Road, just north of the existing Government Center Parking Garage, which will be used for public and jury parking. The new structure will alleviate the severe parking shortage at the Government Center by providing 1,022 spaces, including accessible and electric vehicle charging spaces. Consistent with the County Green Building Policy and leadership in sustainability, the new structure will operate at Zero Net Energy (ZNE) and achieve Leadership in Environmental and Energy Design (LEED) certification. Photovoltaic panels will be arrayed on the top floor of the structure, providing power for PS 2 and the Government Center campus.

On April 24, 2018, this Board held a study session to receive a capital projects update. At the session, a project budget for PS 2 of \$47,000,000 was set based on available conceptual design, programming, and market information. This budget was reflected in the later-adopted revised capital projects budget and financing plan.

On June 5, 2018, following formal Request for Qualifications and Request for Proposals, this Board authorized an agreement with Truebeck Construction, Inc. for management of the construction of the PS 2 and County Office Building 3. The awarded agreement includes a Phase 1, preconstruction services, and Phase 2, construction services. The agreement establishes that following completion of competitive and public trade bidding and award of trade subcontracts, the County and Truebeck will complete and execute a Change Order establishing the Guaranteed Maximum Price (GMP).

This resolution would authorize the establishment of the GMP for the PS 2 component of the construction agreement with Truebeck and a Final Project Budget.

DISCUSSION

Programming, construction documents, and competitive sub-contractor bidding for the PS 2 project have, with minor exceptions, been completed. Based on the award of trade subcontracts, preconstruction work completed, project general conditions, project general requirements, bonds, insurances, taxes, and allowances, the GMP for construction of the PS 2 is \$47,339,858.

The pricing includes known project impacts including construction escalation exceeding reasonable forecasts. As previously reported by PDU, recent market conditions for construction in the Bay Area are challenging, with many new projects underway, skilled labor in high demand, and costs escalating. Additional impacts to pricing captured in the GMP include: (1) the addition of 64 Electric Vehicle Charging Stations for a total of 124 to meet demand and sustainability goals; (2) the addition of a parking guidance system through Level 1 to Level 7 to ensure efficient flow of traffic through the structure; (3) additional photovoltaic systems on the roof in support of Zero Net Energy design; (4) metal mesh fascia; (5) redesign and rerouting of an underground storm drain due to inaccurate as-built drawings; (6) public road improvements requested by the City of Redwood City to accommodate the new traffic flow; (7) permit issuance delay; and (8) additional soil condition remediation and associated haul-off services.

PDU has worked diligently through development of the design, permitting, programming, and bidding to minimize additional costs and develop solutions and strategies that are timely, effective, and financially responsible. PDU recommends that this Board authorize the requested GMP for

construction of the PS 2 and the requested Project Budget.

The final GMP costs for PS2 are within the Board Authorized contract limit set in resolution R076212 on October 23, 2018. The change order adds no costs or commitments to the County Office Building 3 (COB3) or Lathrop House Projects.

The change order has been reviewed and approved by the assigned project manager and the Director and Assistant Director of the Project Development Unit.

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

FISCAL IMPACT:

The amount of \$47,000,000 has been provided in the FY 2019-21 adopted budget. The project cost increase of \$11,200,000 will be included in the FY 2021-23 budget which includes \$339,858 for this amendment.