



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY MANAGER

File #: 20-653

Board Meeting Date: 9/15/2020

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: Michael Callagy, County Manager
Adam Ely, Project Development Unit Director
Subject: Amendment to the Agreement with F&H Construction

RECOMMENDATION:

Adopt a resolution authorizing:

- A) The President of the Board to execute an amendment to the agreement with F&H Construction for the construction of the Animal Shelter Project, increasing the agreement by an amount not-to-exceed \$102,189; and
- B) The Director of the Project Development Unit or designee to execute additional amendments increasing the agreement by an additional \$67,811 above prior authority for a revised total not to exceed agreement amount of \$25,670,000.

BACKGROUND:

All municipalities are mandated by the State to provide animal sheltering and welfare services. Since 1951, the County of San Mateo has managed these services for cities and unincorporated areas within the County. Services were managed from a 1950s era Animal Control Facility, which was outdated, deteriorated, and required replacement.

In September 2014, the cities and towns within the County entered into an agreement to share costs for construction of a new Animal Shelter. The agreement provides that the County will advance project funds to be repaid by municipalities per their share, through a 30-year, interest-free lease agreement.

On February 28, 2017, this Board approved a design-build agreement with F&H Construction in the amount of \$19,699,197 for construction of the Animal Shelter. On February 25, 2020, this Board increased the agreement to a revised not-to-exceed amount of \$25,500,000.

Subsequent to this Board's approval of the not-to-exceed amount, the County encountered an

unmarked Underground Fuel Storage Tank which required removal and remediation to comply with environmental health requirements that ensure the health and safety of the community.

DISCUSSION:

Owner-initiated scope changes and unanticipated conditions encountered during construction require an increase in the not-to-exceed amount of the agreement. These include, *inter alia*: (1) removal of an unmarked Underground Fuel Storage Tank (UST); (2) review, analysis, testing, remediation, and disposal of soil and water adjacent to the discovered UST; (3) landscape design modifications including redesign of the water detention basin occasion by discovery of the UST; (4) continued site air monitoring needed to comply with the Bay Area Air Quality Management District's requirements; (5) disposal costs for contaminated soil required to appropriately complete the project and ensure proper accessibility; and (6) acquisition and installation of dedication plaque.

The Project Development Unit (PDU) recommends that this Board consider these unanticipated conditions for this Project, including necessary scope changes, and approve the recommended contract increase, change order, and project closeout contingency to facilitate final completion of the Project.

Unanticipated conditions and appropriate and related scope increases, common in construction projects, must be addressed promptly to keep the project moving forward. PDU has worked diligently through construction of this Project to minimize additional costs and to ensure any increases in scope are appropriate and reasonable.

PDU requests that this Board authorize amendments to the F&H agreement in the amount not to exceed \$170,000, comprised of \$102,189 for conditions detailed above and \$67,811 for project closeout contingency, for a new not-to-exceed amount of \$25,670,000.

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

FISCAL IMPACT:

The funding for this increase is included in the total Animal Shelter project Budget. There is no increase to Net County Cost.