



# County of San Mateo

## Inter-Departmental Correspondence

---

**Department:** COUNTY MANAGER

**File #:** 21-600

Board Meeting Date: 7/20/2021

---

**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 Truebeck Construction Agreement for County Office Building 3 Trade Contractor Buy-Out

**RECOMMENDATION:**

Adopt a resolution authorizing the President of the Board of Supervisors to execute an amendment to the Construction Manager at Risk agreement with Truebeck Construction for the County Government Center Projects increasing the amount by \$69,362,343, for a total adjusted contract value of \$142,892,534.

**BACKGROUND:**

In March 2017, this Board considered recommendations for generational capital improvements to efficiently and responsibly address: (1) the County's reliance on increasingly aged and outdated facilities and associated elevated maintenance and operational costs; (2) the County's substantial reliance on approximately 400,000 square feet of leased space subject to market-based cost growth and insecurity and the desire to consolidate the workforce in County owned facilities for long-term savings and site control; (3) upcoming deferred maintenance costs including for mandatory seismic compliance; (4) rising environmental standards; and (5) locational, service, and programming improvements needed to better serve residents.

This Board, thereafter, directed staff to pursue various projects, including the County Office Building 3 Project (COB3).

As currently designed, COB3 will provide 208,000 total square feet of program for up to 612 County employees. It will contain multiple levels of offices, workspaces, conference rooms, and shared amenities, along with the Board chambers. The project will include two public plazas and a new public promenade to connect COB3 with existing County facilities and downtown Redwood City. The project is targeting Zero Net Energy (ZNE) and LEED Platinum Certification and incorporates best practices in sustainable design including mass timber, on-site solar, natural gas-free design, optimization of passive systems, and maximization of daylighting and air exchange.

On June 5, 2018, this Board adopted a resolution awarding Truebeck Construction the Construction

Manager at Risk (CMR) Agreement for the County Government Center projects, and in October 2018, this Board adopted a resolution which provided a not-to-exceed contract limit of \$187,100,000 inclusive of a 10% potential change order limit to accommodate the initial estimated costs for the Government Center projects (Parking Structure 2, Lathrop House, and COB3).

In June 2020, this Board adopted a resolution authorizing an agreement with Skidmore, Owens, and Merrill Architects (SOM) as the new Architect of Record for the COB3 project, and in January 2021, this Board adopted a resolution authorizing an amendment to the SOM agreement, approving the 5-story building design concept.

The CMR agreement anticipates phased establishment of a guaranteed maximum price (GMP) through a change order/amendment as design progresses, scope is finalized, and trade contracts are competitively bid. The agreement has been amended over time to incorporate trade contractor buyout and other change requests for each of the three projects, and this proposed Amendment is the first change related to COB3 since the new Architect of Record and associated design changes were approved.

#### **DISCUSSION:**

The proposed Amendment incorporates a substantial portion of the trade contractor buyout for COB3 and adjusts scope as required for the updated design.

The trade contractor scopes of work included per this amendment represent approximately 65% of the total COB3 project buyout and include, but are not limited to, Surveying, Deep Foundations, CLT/Mass Timber, Structural Steel & Metal Decking, Design-Build (D/B) Electrical, D/B HVAC, D/B Plumbing, D/B Fire Protection, Exterior Glazing, Reinforcing Steel, Precast Concrete, and Earthwork. The approved trade contractor bids are represented by the attached approved Letter of Authorization (LOA) documents, which have been abridged for brevity with only critical award related information included. The full documentation is available for review as needed.

The adjusted contract value for the three projects is \$142,892,534, comprised of COB3 (\$93,288,167), PS2 (\$48,092,275), and Lathrop House (\$1,512,092). In addition to the adjusted contract scope and value recommended for approval in this amendment, for critical long-lead-time, pre-fabricated materials, and specialty items (e.g., structural steel, mass timber framing, elevators, etc.), this amendment authorizes material deposits, mobilization costs, and other early release payments as necessary to complete the work within the approved schedule in accordance with contract payment procedures, and subject to the prior written approval of the Project Manager and PDU Management.

The Project Development Unit (PDU) is working closely with Truebeck, SOM Architects, and the project team to finalize the estimated total project costs, and as final costs are available and trade contractor buyout nears completion, a comprehensive final GMP amendment will be provided to this Board for review and approval along with a corresponding project budget adjustment to support the completion of the project's final permitted design.

The amendment adds no costs or commitments to the PS2 or Lathrop House Projects.

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

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

**FISCAL IMPACT:**

Appropriations for this amendment are within the previously authorized maximum contract and budget amount. The Final Project Budget will be formally updated during September 2021 Budget Revisions or at establishment of the GMP.