



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY MANAGER

File #: 21-636

Board Meeting Date: 8/3/2021

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: Michael P. Callagy, County Manager
Adam Ely, Project Development Unit Director
Subject: Amendment to the Agreement with Taylor Design

RECOMMENDATION:

Adopt a resolution authorizing the County Manager, or designee, to execute an amendment to the Architectural Services agreement with Taylor Design for the San Mateo Health Campus Upgrade Project, extending the term through November 30, 2024 and increasing the agreement by \$2,192,568 for a new not to exceed amount of \$12,458,250.

BACKGROUND:

The San Mateo Health System Campus is located at Edison Street between 37th and 39th Avenue in San Mateo. The site houses the San Mateo Medical Center and other Health Services Departments. The San Mateo Health Services building was constructed in 1952 and the adjacent Hospital Administration Building in 1954. To consider the future of these aging and seismically insufficient facilities and the Health Campus, in February 2016, the County commissioned the Health System Master Plan Study.

Following the study, it was determined that the 1952 building had outlived its useful life, was maintained at considerable cost, and should be demolished. It was also determined that the County should direct funds to the modernization and improvement of the Health System Campus, rather than investing in state-mandated seismic retrofitting of the out-of-date 1954 building.

Following a March 2017 Study Session, this Board authorized the San Mateo Health System Campus Upgrade Project (Project) comprised of construction of a new 70,000 square-foot non-Office of Statewide Health Planning and Development (OSHPD) Hospital Administration Building, renovation of the OSHPD Hospital Nursing Wing and Central Plant, and other campus improvements. Following approval of the Project, this Board authorized the addition of the Coroner's Morgue and Office suite to the new administration building.

The Health Campus project will, among other things, relocate approximately 300 County Staff from the heavily impacted Health System Campus to other locations. The Project will also create a

prominent and easily navigable entrance for the modernized Health System Campus, while consolidating Coroner functions on one site.

The Health Campus Project, which contains multiple phases, is currently under construction. Renovation of the Central Plant and the Nursing Wing Ground Floor has been substantially completed. In addition, steel topping out has occurred for the new Administration Building and exterior framing is underway.

Challenges during construction, much of which has overlapped with the COVID-19 pandemic, have included, *inter alia*: (1) schedule extensions and cost increases related to unforeseen and unanticipated underground and as-built conditions; (2) complex project phasing that involves multiple jurisdictions; (3) project scope, sub-projects, and design modifications determined to be necessary and efficiently addressed through the ongoing project; and (4) COVID-19 and associated safety requirements, operational requirements, and spread reducing labor inefficiency factors that substantially extended the anticipated construction administration period.

DISCUSSION:

Following a Request for Proposals, the County selected Taylor Design as the provider of Architectural and Engineering Services for the San Mateo Medical Center Project. On September 17, 2019, through Resolution R076884 the Board established an agreement not to exceed amount of \$10,265,682.

The proposed Amendment 04 will extend the term of the agreement with Taylor Design through November 30, 2024 and increase the amount by \$2,192,568 for a new not to exceed amount of \$12,458,250. The increase is for, *inter alia*, (1) redesign and administration costs related to the unforeseen and unanticipated underground and as-built conditions; (2) additional project scope / sub-projects incorporated into the project; (3) OSHPD stringent design and inspection requirements; (4) schedule extensions and extended construction administration periods resulting from the foregoing; and (5) establishment of Owner's allowance for future modifications.

The PDU, in collaboration with the Health System, County partners, and contracted entities, have worked diligently through development of the design, permitting, programming, construction, and bidding to minimize additional costs and develop solutions and strategies that are timely, effective, and financially responsible. The Project Development Unit recommends that this Board authorize the County Manager to execute an amendment within the requested fiscal parameters. The PDU is currently finalizing details and exhibits for the amendment, which will be in a form substantially similar to previous amendments.

County Procurement has reviewed and approved the extension of this agreement.

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

FISCAL IMPACT:

The costs of this amendment are carried within the project budget.