



Midpeninsula Regional
Open Space District

R-20-107
Meeting 20-23
October 14, 2020

AGENDA ITEM 3

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Award of Contract for Construction Management and Inspection Services, scheduled to extend between November 2020 and Spring 2022, and to provide HVAC Peer Review for the Administrative Office Project

GENERAL MANAGER'S RECOMMENDATIONS

1. Authorize the General Manager to enter into contract with Nova Partners, Incorporated, of Mountain View, California for a not-to-exceed base contract amount of \$475,498.
2. Authorize a 15% contract contingency of \$71,325 to be reserved for unanticipated issues, thus allowing the total contract amount to not-to-exceed \$546,823.

SUMMARY

Midpeninsula Regional Open Space District (District) has requested proposals from qualified engineering firms to assist with a heating, ventilation, and air conditioning (HVAC) system design peer review and to provide construction management and inspection services for the Administrative Office Project (Project). The peer review services will verify the adequacy, constructability, and cost effectiveness of the HVAC design. The inspection and construction management services will supplement in-house expertise to ensure that the day-to-day construction activities of this large-scale, complex building renovation project stay on track. A Request for Proposals (RFP) was issued on June 24, 2020 and six firms submitted proposals. After a competitive selection process, Nova Partners, Incorporated, (Nova) was identified as the most qualified firm. The General Manager recommends awarding a contract to Nova for a base amount of \$475,498, with a 15% contingency of \$71,325 to cover additional construction-related services if unanticipated issues arise during the next 15 to 18 months through project close-out. Sufficient funds are included in the Fiscal Year 2020-21 (FY21) budget. Funding for future year budgets will be requested as part of the annual Budget and Action Plan process.

BACKGROUND

The District has been evaluating options to address the lack of sufficient administrative office space to meet ongoing and long-term business needs since 2015, as the organization began to undergo significant internal restructuring to accelerate project delivery, expand public service delivery, and ensure sufficient resources to manage public land and access facilities. At the July 2017 public meeting, the Board adopted a resolution to enter into a purchase and sale agreement for the building located at 5050 El Camino Real, Los Altos, CA (R-17-90). Escrow closed on the purchase on February 1, 2019.

The District is finalizing the Project design and intends to start construction in March 2021. Support from a construction management firm to provide a team of experts to prepare for construction activities, assist with inspections and construction management services over the year-long construction schedule, and finalize project close-out will ensure that the project remains on track, within the approved budget, and ready for occupancy by March 2022 (reminder that office staff must vacate the current premises by a specific timeframe once the sale terms of the property are finalized). An inspector and construction manager would work in collaboration with the District's Senior Capital Project Manager to oversee day-to-day construction activities and advise on/assist with the design, construction, and occupancy phases of the Project. This support is considered critical to the project's success given the large-scale and long duration of the construction phase and the fact that large office building renovations are outside the expertise of an open space district with technical design and construction considerations that are unlike those of typical outdoor public recreation facilities. In addition, to ensure that the HVAC design for the new office building meets District needs and supports a healthy work environment, particularly in light of increased awareness of air filtration systems in preventing exposure to infectious diseases and the planned repurposing of select HVAC elements within the building, an expert peer review for the HVAC system design is highly recommended.

DISCUSSION

Consultant Selection

A Request for Proposals (RFP) was issued on June 24, 2020 on BidSync and a project announcement was emailed to several firms. A pre-proposal meeting and site tour was held on July 7, 2020. Eight firms attended these meetings and six of these firms submitted proposals on August 4, 2020. The following table summarizes the fee schedule for each consultant.

Consultant	Proposal Price
Gilbane Building Company	\$ 248,196.00
Mack 5 Services	\$ 426,470.00 *
Nova Partners, Incorporated	\$ 475,498.00
Skanska	\$ 510,531.00
Cumming Management Group	\$ 571,765.00
Swinerton Management and Consulting	\$ 890,603.00

*NOTE: The Mack 5 Services fee does not include an additional \$30,000 for reimbursable expenses such as printing and construction management software.

Proposals included team background, an organization chart, team qualifications, relevant experience, and an acknowledgement of the District's standard agreement and insurance requirements. The proposals also provided proposed fees, approach to project delivery, quality control processes, and demonstrated each team's ability to help deliver the Project on schedule.

Nova, a local firm with offices in Mountain View, was deemed the most qualified given their project team's diverse field of knowledge, prior experience with construction project management and public contracts, and expertise in delivering building renovation projects. Nova demonstrated a strong knowledge of the Project's intent, deliverables and goals, and submitted a quality proposal to perform the scope of work at a reasonable price. Nova presented a matrix showing how the various tasks would be distributed amongst their team. This display was unique to Nova and clearly communicated their commitment to meeting the project goals. Nova's

proposal stood out from their peers in their clear distribution of duties, thoughtful construction schedule, and identification of personnel with the appropriate skillset to support a successful project. The selection process for this type of service is based on qualifications, with consideration given to the fee. In light of other fee proposals, Nova's fee was negotiated down from \$555,124, resulting in a \$79,626 savings from their original fee. Nova's fee includes the services of a dedicated inspector, construction manager, and a principal. For these reasons, the General Manager recommends entering into an agreement with Nova to complete the Project.

The Nova project team consists of experts in the following fields:

- Ground-up construction
- Tenant improvement projects
- Structural upgrades
- Construction management
- Inspection services
- Cost control

The Nova team has a strong track record of delivering building renovation projects in a municipal setting. They have also successfully collaborated on other projects with Noll and Tam Architects, the project designer. Examples of Nova's relevant projects include:

- City of Los Altos Community Center – constructability review and construction management services for a \$38.4M, 24,000 square foot new building construction project
- IDEO Lion Building – design and construction of tenant improvements for a \$27M, 75,000 square foot building renovation project
- City of Palo Alto Public Safety Building – design and construction management services for a \$48.2M, 135,000 square foot new building construction project
- Marin County Emergency Operations Facility and Sheriff's Office – design and construction management services for a \$80M, 328,000 square foot building renovation project

Services identified for this solicitation include a peer review of the HVAC system, and construction management and inspection services. Nova will deliver the construction management and inspection services with their in-house team; peer review services will be delivered by Interface Engineering (Interface). Interface specializes in the design of sustainable engineering systems, such as natural ventilation, radiant heating and cooling, and commissioning. The peer review service is estimated at \$6,000; the construction management and inspection services are estimated at \$469,498.

The Project's current cost estimate at 50% construction documents includes an allocation of \$143,858 for construction management, testing, and special inspection services. The cost for Nova's contract was not anticipated as part of this estimate. The cost estimate was limited to special inspections to ensure that specific material/construction meet engineering and building code standards, including concrete, compaction testing, framing, and structural steel. The Nova contract is instead for day-to-day inspections and monitoring of ongoing construction work to ensure that the manner in which the work is completed adheres to the construction documents and technical specifications (i.e. construction oversight). Although the Nova contract was not

contemplated in the 50% cost estimate, the aggregate Project total with the Nova contact remains below the Board-approved construction cost budget of \$27.4M.

Staff and the design team have been performing value engineering throughout the design of this Project. Each time a major design change occurs, such as changing the Boardroom ceiling material or updating the Boardroom dais and glass partition, the team has reviewed the advantages and disadvantages of various options, projected cost, value added, and other relevant factors both internally and with the Board (including the prior Ad Hoc Committee). Any new issues that may arise moving forward during construction will continue to be value engineered, and would be done the assistance of Nova.

FISCAL IMPACT

At each major milestone, the District presents a revised cost estimate to ensure that the Project design remains within the May 2019 Board-approved project budget of \$27.4 million (R-19-64). At this current time, the 50% construction document cost estimate is approximately \$24.78 million (excluding the request for automating the operable windows) and below the Board approved project budget of \$27.4 million. The design team will provide one final project cost estimate once the plans have been resubmitted to the City of Los Altos for permit approval, which is anticipated in October 2020.

Funding sources for the Project include using *Committed for Infrastructure* reserve funds, any future additions to the reserve, rent income, parity bond proceeds, and interest earned from the parity bonds. Partial reimbursement is also expected from the future sale of the current 330 Distel Circle office. To begin the surplus property sale process of the existing building, the District issued a notice of surplus sale on November 22, 2019 and is currently in negotiations with a potential buyer.

The FY21 adopted budget includes \$8,488,000 for the New Administrative Office (AO) Facility project #31202. There are sufficient funds in the project budget to cover the recommended action and expenditures through the end of the fiscal year. A 15% contingency is requested to cover unforeseen costs associated with supporting construction, including, but not limited to, increased construction duration due to delays associated with COVID-19, additional contractor oversight, and assistance resolving permit amendments with governing agencies to address unforeseen construction conditions. Funding for future year budgets will be requested as part of the annual Budget and Action Plan process.

New Administration Office (AO) Facility #31202	Prior Year Actuals	FY21 Adopted	FY22 Projected	FY23 Projected	Estimated Future Years	TOTAL
Acquisition:	\$31,742,406	\$0	\$0	\$0	\$0	\$31,742,406
**Planning/Design/Construction/Closeout:	\$1,744,869	\$8,488,000	\$18,305,058	\$0	\$0	*\$28,537,927
Total Budget:	\$33,487,275	\$8,488,000	\$18,305,058	\$0	\$0	\$60,280,333
Acquisition and associated costs Spent-to-Date (as of 10/6/2020):	(\$31,742,406)	\$0	\$0	\$0	\$0	(\$31,742,406)
Spent-to-Date (as of 10/6/2020):	(\$1,744,869)	(\$12,525)	\$0	\$0	\$0	(\$1,757,394)
Encumbrances:	\$0	(\$227,450)	\$0	\$0	\$0	(\$227,450)
Nova Partners, Inc. Contract:	\$0	(\$250,000)	(\$225,498)	\$0	\$0	(\$475,498)
15% Contingency:	\$0	\$0	(\$71,325)	\$0	\$0	(\$71,325)
Budget Remaining (Proposed):	\$0	\$7,998,025	\$18,008,235	\$0	\$0	\$26,006,260

*Amount includes Board approved project budget of \$27.4M

***FY22 Projected budget overstated by \$519,942, already stated in prior year actuals due to acceleration of the project*

The recommended action is not funded by Measure AA

BOARD COMMITTEE REVIEW

No Board Committee review has occurred for this Project.

PUBLIC NOTICE

Public notice of this Agenda Item was provided as required by the Brown Act.

CEQA COMPLIANCE

Award of contract is not subject to the California Environmental Quality Act.

NEXT STEPS

If approved, the General Manager will execute the contract with Nova.

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