



A Public Agency

ADMINISTRATION AND FINANCE

STAFF REPORT

To: SBWMA Board Members
From: Joe La Mariana, Executive Director
Rob Kalkbrenner, Common Goal Consulting Group, Inc
Date: April 25, 2024 Board of Directors Meeting
Subject: Administration Office Tenant Improvement Project Update, and Resolution 2024-13 Allocating an Additional \$38,000 to the Project Contingency Fund for Change Orders and Authorizing Contract Amendment No. 1 in the Amount of \$14,500 With Gelfand Partners Architects for Additional Design Services Associated with Bid Alternates 1 and 2.

Recommendation

Staff recommends that the SBWMA Board of Directors receive an update on the Administrative Office Tenant Improvement Project (Project), approve Resolution No. 2024-13 allocating an additional \$38,000 to the Project contingency to fund pending and anticipated change orders, thereby increasing the not to exceed amount of the construction contract from of \$1,819,950 to \$1,857,950, and authorizing an amendment of Gelfand Partners Architects contract the scope of work and payment in the amount of \$14,500 for their added design services associated with Bid Alternates 1 and 2.

Summary

On November 16, 2023, the SBWMA Board of Directors approved plans and specifications, authorized bidding of the Project and instructed the Executive Director to execute a construction contract for the Project with the lowest responsive and responsible bidder if the bid did not exceed the architect/engineer's estimate of \$1,193,877 including a 7.5% bidding contingency. The Board also established a 10% contingency fund for change orders to be approved by the Executive Director during the construction phase of the Project.

The Board approved plans and specifications issued on November 21, 2023, requiring bidders to submit a base bid and to price 4 separate Bid Alternates. Bidding closed on December 22, 2023, with 7 bids received. Foundry Construction, Inc. was determined to be the lowest responsive and responsible bidder both on its base bid and the 4 Bid Alternates but its bid exceeded the engineers/architects estimate and so the contract award was placed on the Board agenda for January 2024.

On January 25, 2024, the SBWMA Board awarded Foundry Construction, Inc. the construction contract for the Project in an amount not to exceed \$1,819,950. This included the base bid, Bid Alternate 1 (adding 439 square feet of usable floor space to the Project) and Bid Alternate 2 (construction of patrician walls for the second-floor private offices to provide acoustically separated spaces for staff), The Board also established a 10% contingency for change orders to be approved by the Executive Director during the construction phase of the Project.

On February 9, 2024, the Notice to Proceed was issued. The Project is now 50% complete and the work has passed all, City's and Special Testing inspections. Because the Project is only 50% complete staff expects that additional change orders will be requested in the last half of the construction phase. With previously approved and

pending change orders, the Project contingency is underfunded by \$3000. To address this, staff recommend that the Board allocate \$385,000 to the Project contingency so all pending change orders can be funded and \$35,000 will remain available for change orders through the completion of the Project. In addition, the Project architects have submitted a request to increase the not to exceed amount of their contract by \$14,500 because of added design work requested after award of their contract. To address this, staff recommends that their contract be amended to increase the scope of work and payment.

Analysis

- ***Project Update***

As noted above, the Project is at the mid-point of construction. The work is proceeding at an acceptable pace, but delays have been encountered for two reasons. First, long lead times exist for delivery of the elevator, operable partition doors and additional steel framing materials needed to address unforeseen structural issues. Second, during the permitting phase, the mezzanine was recategorized as a second floor, which triggered a higher occupancy-load. To comply with the code requirements associated with this recategorization, the design required modifications included adding a 3rd restroom resulting in reconfiguring the original restrooms and janitor/storage floorplan. Additional design work was also required because of unforeseen conditions related to the amount of steel cables in the existing floor slab where the new restrooms waste lines were designed to drain.

For these reasons, the Project's schedule has slipped approximately 6 weeks. The estimated date for beneficial occupancy is now late July with construction completion scheduled for early September 2024. The Grand Opening is still targeted for the end of September.

- ***Project Change Orders***

Staff requests that the Board allocate an additional \$38,000 to the Project contingency to fully fund pending change orders and to replenish the fund for change orders which may be received during the second half of construction.

When authorizing the contract, the Board established a 10% contingency fund. To date the construction manager has received, reviewed and recommended approval of 4 change orders in the amount of \$83,376. These change orders were for the added restroom, structural upgrades, and unforeseen conditions mentioned above related to steel cabling in the building slab. In addition to the 4 approved change orders, 2 additional change orders are pending in the amount of \$85,075. These change orders are for the heating, ventilating, air-conditioning (HVAC) and associated electrical modifications needed because the original infrastructure is incompatible with the latest high efficiency units being installed for the Project. The construction manager has recommended approval of these change orders as well. Once these 2 pending change orders are approved the project contingency will be underfunded by \$3000. For that reason, the staff recommends that the Board approve a Resolution allocating \$38,000 to the contingency to fund the pending change orders thereby leaving \$35,000 in contingency to fund anticipated change orders through the end of Project construction.

- ***Architect's Additional Design Services***

The Project, as originally designed, did not include Bid Alternates 1 and 2. As a result, design work to address Bid Alternates 1 and 2 fell outside the scope of work authorized by the contract with Gelfand Partner Architects. Additional architectural services to address Bid Alternates 1 and 2 include design of a new structural system for the ground floor private offices' walls and lid to allow for the future buildout of additional habitable floor area above these spaces, and design of the second floor work areas with acoustically separated spaces for a more productive and respectful work area given there are 8 to 10 staff members assigned to work on this floor at any given time. The cost of this additional design work is \$14,500 and staff recommends that the contract with Gelfand Partner Architects be amended to include this additional design work. Staff notes that additional funds may be

requested for architectural services related to design work associated with recategorization of the second floor and steel cabling in the building slab but at this time the construction manager has not concluded his evaluation of this request. If he recommends approval, this item will be placed on a future Board agenda for consideration.

Background

In early 2023, SBWMA was notified their current lease would not be extended beyond June 30, 2024. At its June 22, 2023, Board of Directors Meeting, the Board authorized Staff to enter a sales contract with KB Homes to acquire a commercial parcel located at 1245 San Carlos Avenue, Suite E in San Carlos expressly to be used to house the SBWMA Administrative staff and program operations. Several important contingencies were included in the direction, including: 1. Securing the formal project approval of 8 of the SBWMA's 11 Member Agencies governing bodies and 2. Securing an acceptable project finance package to complete the entire sales transaction and the estimated architectural design and construction expenses.

On September 15, 2023, Common Goal Consulting Group, Inc. was hired to manage the project through construction closeout and to assist SBWMA staff in the preparation of contract documents and to advise on the bidding, selection and award process.

At its September 28, 2023, Board of Directors Meeting, having secured all 11 Member Agencies governing bodies approval, the Board approved the acquisition of 1245 San Carlos Avenue, Suite E, for its new SBWMA administrative offices and authorized the Executive Director to execute the purchase contract. Escrow closed on November 15, 2023.

Also at the September 28, 2023, meeting, the Board authorized the Executive Director to enter into a professional services agreement with Gelfand Partners Architects for architectural and engineering services for the SBWMA's new office tenant improvement project.

At its November 16, 2023, meeting, the Board approved the plans and specifications and authorized the bidding of the project for construction.

To construct necessary tenant improvements as required by the Public Contracts Code, the plans and specifications were posted for public bidding on November 21, 2023, and submitted to the City of San Carlos for permitting on November 22, 2023.

On December 22, 2023, SBWMA received seven (7) bids from qualified responsive bidders.

At its January 25, 2024, meeting the Board approved a construction contract with Foundry Construction, Inc with a Not to Exceed (NTE) Amount of \$1,654,500, and established a 10% project contingency fund for change orders to be approved by the Executive Director. This contract is \$1,654,000 plus a 10% contingency fund for a total of \$1,819,950.

On February 26, 2024, Foundry Construction, Inc. mobilized.

On March 4, 2024, the contractor obtained the City of San Carlos building permit and construction commenced.

Recommendation

Staff recommends that the SBWMA Board of Directors receive this Project update and then approve Resolution No. 2024-13 allocating an additional \$38,000 to the Project contingency to fund pending and future change orders thereby, increasing the Foundry Construction, Inc. contract not to exceed amount from \$1,819,950 to \$1,857,950,

and authorizing an amendment to Gelfand Partners Architects contract to increase their scope of work and payment in the amount of \$14,500 for added design services related to Bid Alternates 1 and 2.

Fiscal Impact

Upon Board approval and with previous Board direction, this project will be funded from the agency's 2024 Uncommitted Reserves rather than through the agency's operating budget. This contract is \$1,654,000 plus a 10% contingency fund for a total of \$1,819,950. The agency's 2024 adopted budget's Uncommitted Reserves' fund balance is currently \$13.0M. The increase in TI costs, excluding the 10% contingency, will reduce the Uncommitted Reserves to approximately \$12.0M.

Attachments:

Resolution 2024-13



RESOLUTION NO. 2024-13

RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS ALLOCATING AN ADDITIONAL \$38,000 TO THE PROJECT CONTINGENCY FUND FOR CHANGE ORDERS AND AUTHORIZING AMENDMENT NO. 1 IN THE AMOUNT OF \$14,500 WITH GELFAND PARTNERS ARCHITECTS FOR ADDITIONAL DESIGN SERVICES ASSOCIATED WITH BID ADD ALTERNATES 1 AND 2

WHEREAS, after 16-years, the South Bayside Waste Management Authority's (SBWMA) administrative office lease will expire on June 30, 2024, and will not be renewed, a new office space must be secured; and

WHEREAS, SBWMA has acquired property located at 1245 San Carlos Avenue, Suite E, San Carlos, California, to be used as its administrative office (the "Property"); and

WHEREAS, the Property requires tenant improvements prior to occupancy; and

WHEREAS, SBWMA retained Gelfand Partners Architects to prepare plans and specifications for construction of tenant improvements required prior to occupancy of the Property; and

WHEREAS, the SBWMA staff conducted a public bidding process that resulted in seven qualified bids with, Foundry Construction, Inc. determined to be the lowest qualified bidder for the construction of the SBWMA Administration Office Tenant Improvement Project; and

WHEREAS, the SBWMA Board of Directors on January 25, 2014, approved the award of a contract to Foundry Construction, Inc. for a not to exceed amount of \$1,654,500 for the SBWMA Administration Office Tenant Improvement Project; and

WHEREAS, the SBWMA Board of Directors on January 25, 2024 authorized a contract with Foundry Construction, Inc for its Base Bid, Bid Alternates 1 and 2 and a 10% contingency for a total not to exceed amount of \$1,819,950; and

WHEREAS, because sufficient funds are not available in the contingency to fund pending and anticipated change orders through the end of the Project; and

WHEREAS, additional design services were required to address changes in the Project necessitated by the inclusion of Bid Alternates 1 and 2;

NOW, THEREFORE, BE IT RESOLVED that the South Bayside Waste Management Authority hereby allocates an additional \$38,000 to the established project contingency to fund pending and anticipated change orders with Foundry Construction, Inc., thereby increasing the previously allocated contingency from \$165,450 to \$203,450, and the contract not to exceed amount from \$1,819,950 to \$1,857,950 for the SBWMA Administration Office Tenant Improvement Project; and

BE IT FURTHER RESOLVED that the South Bayside Waste Management Authority hereby approves Gelfand Partners Architects contract Amendment No. 1 in the Amount of \$14,500 for added design services associated with Bid Add Alternates 1 and 2.

PASSED AND ADOPTED by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the 25nd day of April 2024 by the following vote:

Agency	Yes	No	Abstain	Absent	Agency	Yes	No	Abstain	Absent
Belmont					Redwood City				
Burlingame					San Carlos				
East Palo Alto					San Mateo				
Foster City					County of San Mateo				
Hillsborough					West Bay Sanitary Dist				
Menlo Park									

I HEREBY CERTIFY that the foregoing Resolution No. 2024-13 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on April 25, 2024.

ATTEST:

Adam Rak, Chairperson of SBWMA

Cyndi Urman, Clerk of the Board

STAFF REPORT

To: SBWMA Board Members
From: Joe La Mariana, Executive Director
Rob Kalkbrenner, Common Goal Consulting Group, Inc
Date: April 25, 2024 Board of Directors Meeting
Subject: Resolution Allocating Funds for the Purchase of Furniture, Fixtures, and Equipment for the SBWMA Administration Office Tenant Improvement Project in a not-to-exceed amount of \$237,402, and Authorizing the Executive Director to Execute Purchase Contracts

Recommendation

Staff recommends that the SBWMA Board of Directors approve Resolution No. 2024-14 allocating funds for the purchase and installation of Furniture, Fixtures, and Equipment (FF&E) for the Administration Office Tenant Improvement Project in the amount of \$237,402 and authorizing the Executive Director to enter contracts to complete the purchase and installation.

Summary and Background

Construction of the tenant improvements for SBWMA's new administrative office is estimated for completion in July 2024 with an anticipated move in date in August 2024. While much of the furniture, fixtures, and equipment in SBWMA's current space will be moved into and reused at the new office space, there is a need for some additional items. In order to ensure that these items are ready for delivery and installation prior to occupancy, staff recommends that the Board allocate funds in the amount of \$237,402 for the purchase of new FF&E and authorize the Executive Director to execute contracts to complete the purchase and installation.

Analysis

The FF&E listed on the following page has been identified by staff and consultants as required to fully outfit the new SBWMA administrative office which will function both as the workspace for staff and as the permanent home-base location for Board and Committee meetings. If approved, staff will work to identify the most cost-effective approach for the purchase and installation of the FF&E either by obtaining three price quotes from vendors and or participating in State/ Federal procurement programs with pre-approved vendors. Additionally, when available, used FF&E components will be purchased to be fully aligned with the agency's mission/guiding principles and past practices. Historically, staff has realized significant discounts on fully functional and suitable used FF&E items as noted below in **Table 1**.

NOTE: Audio/video equipment to fulfill Brown Act public meeting technical requirements are currently being evaluated for the conference room and audience seating areas. Staff anticipates bringing a recommendation for consideration no later than the June Board meeting.

Recommendation

Staff recommends that the Board allocate funds in the amount of \$237,402 for the purchase and installation of FF&E and authorize the Executive Director to enter contracts to complete the purchase and installation.

Table 1.
Summary of Furniture, Fixtures, and Equipment to be Purchased.

	Furniture	Fixtures	Equipment	Specialty Items
Conference Room Furniture (Priced as new with a possible 30-35% savings if purchased used)	\$ 48,153			
Lobby-Reception Area Furniture (Priced as new with a possible 30-35% savings if purchased used)	\$ 12,626			
Kitchenet Furniture (Priced as new with a possible 30-35% savings if purchased used)	\$ 5,248			
Privat Office Furniture (Priced as new with a possible 30-35% savings if purchased used)	\$ 28,486			
*Second Floor Office Furniture in the event the existing furniture isn't useable. (Priced as new with a possible 30-35% savings if purchased used)	\$ 34,687			
Flex Space Furniture (Priced as new with a possible 30-35% savings if purchased used)	\$ 3,264			
IT Equipment including Installation and Cabling			\$ 38,611	
Keyless Entry Door Security System (3)			\$ 3,960	
Kitchenet: Dishwasher and Refrigerator			\$ 2,420	
Office Equipment and Telephones			\$ 1,760	
Green Wall 1				\$ 17,600
Green Wall 2				\$ 17,600
Sub-Totals	\$ 132,464	\$ -	\$ 46,751	\$ 35,200
			FF&ESub-Total	\$ 214,415
			Total of Consultants' Agreements	\$ 22,987
			Total	\$ 237,402

Fiscal Impact

Upon Board approval this project will be funded by forgoing an operating budget item for Facility Master Planning of \$250K.

Attachments:

Resolution 2024-14

[Attachment A – Floorplan for the SBWMA Administration Office Floorplan *](#)

[Attachment B – List of Existing Furniture to be reused*](#)

[Attachment C – List of Additional Furniture, Fixture, and Equipment to be purchased*](#)

[Attachment D – List of Technical IT Equipment to be installed*](#)

[*Due to size, attachments A through D are available online only at www.rethinkwaste.org](#)



RESOLUTION NO. 2024-14

RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS APPROVING RESOLUTION AUTHORIZING THE PRCHASE OF FURNITURE, FIXTURES, AND EQUIPMENT FOR THE SBWMA ADMISTRATION OFFICE TENANT IMPROVEMENT PROJECT FOR A NOT-TO-EXCEED AMOUNT OF \$237,402 AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE CONTRACTS TO COMPLETE THE PURCHASE AND INSTALLATION

WHEREAS, after 16-years, the South Bayside Waste Management Authority's (SBWMA) administrative office lease will expire on June 30, 2024, and will not be renewed, a new office space must be secured; and

WHEREAS, SBWMA has acquired property located at 1245 San Carlos Avenue, Suite E, San Carlos, California, to be used as its administrative office (the "Property"); and

WHEREAS, the Property requires tenant improvements prior to occupancy; and

WHEREAS, SBWMA retained Gelfand Partners Architects to provide interior office design services including furniture selection that is priced within our budget, and to manage the furniture ordering process through product delivery; and

WHEREAS, the SBWMA retained DTE Networks to provide IT design, including providing and installing the equipment; and

WHEREAS, the SBWMA retained Common Goal Consulting Group to provide Project Management for this phase of work, including the moving of staff and the furniture being reused; and

WHEREAS, contraction of tenant improvements is anticipated to be completed in August 2024 at which time the office will be occupied by staff and used by the Board and Committees as a meeting space, and:

WHEREAS, staff and consultants have identified furniture, fixtures and equipment needed in order to outfit the space for use, the Board has reviewed the list of identified items and concluded that these items are indeed required for the space,

NOW, THEREFORE, BE IT RESOLVED that the South Bayside Waste Management Authority hereby approves the purchase of recommended furniture, fixtures and equipment and authorizes the Executive Director to execute contracts for the purchase and installation of those items in an amount not to exceed \$237,402, for the SBWMA Administration Office Tenant Improvement Project.

PASSED AND ADOPTED by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the 25nd day of April 2024 by the following vote:

Agency	Yes	No	Abstain	Absent	Agency	Yes	No	Abstain	Absent
Belmont					Redwood City				
Burlingame					San Carlos				
East Palo Alto					San Mateo				
Foster City					County of San Mateo				
Hillsborough					West Bay Sanitary Dist				
Menlo Park									

I HEREBY CERTIFY that the foregoing Resolution No. 2024-14 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on April 25, 2024.

ATTEST:

Adam Rak, Chairperson of SBWMA

Cyndi Urman, Clerk of the Board