




Memorandum

DATE: October 10, 2018

MEMO TO: Board of Directors

THROUGH: Ana Ruiz, General Manager 

FROM: Jay Lin, Engineering and Construction Department Manager
Felipe Nistal, Senior Capital Project Manager

SUBJECT: Administrative Office Remodel Project Update

SUMMARY

On September 25 and 26, 2018, the Administrative Office (AO) Ad Hoc Committee met with staff to review and prioritize the AO project goals and program elements, and review the proposed public outreach plan. On September 26, 2018, staff distributed the list of project goals and program elements as prioritized by the Committee to all Board members for their input as well.

Additionally, Noll & Tam Architects conducted department interviews on October 1 and 2, 2018 to confirm the departmental program elements identified as part of the 2017 MKThink report.

On October 17, 2018, the Ad Hoc Committee and staff will review Noll & Tam's design progress and participate in a design charrette with the architects. The charrette will focus on the design approach taking into account the current budget, the prioritized project goals and program elements, and departmental space needs.

Staff will return to the Board on October 24, 2018 for consideration and approval of the prioritized project goals and program elements and the proposed public outreach plan.

DISCUSSION

Prioritization of Project Goals and Program Elements

Staff held a project kick-off meeting with Noll & Tam Architects on September 5, 2018. During that meeting, Noll & Tam discussed the projected construction cost based on the list of project goals and program elements, the design sketches provided in the proposal, and the current construction market. Based on current information, the construction cost is projected to be \$16 to \$18 million, greater than the \$10 million estimate included in the three-year capital improvement plan (CIP). The \$10 million number is based on a per square footage standard remodel cost of \$250.00 per square foot. This estimate does not account for significant work related to: Americans with Disabilities Act (ADA) improvements; heating, ventilation and air

conditioning (HVAC) systems replacement; elevator code compliance improvements; front entrance reconfiguration; pedestrian connection to the public sidewalk; structural improvements to address spatial and storage needs; or roof waterproofing system replacement, in addition to the escalating Bay Area construction costs.

Given the recent cost realization, staff worked with the Ad Hoc Committee on September 25 and 26 to prioritize the program elements in order to guide the architect during design to know where to reduce construction costs. On September 26, Committee input was provided to other Board members who were asked to also prioritize the program elements.

The Committee's prioritization list was communicated to Noll & Tam Architects to begin informing the early design work. Once the remaining Board members have prioritized the project goals and program elements, this information will also be provided to Noll & Tam. Prioritization of the program elements, the project timeline, costs of major program elements, and the project budget will be discussed at the October 17, 2018 Ad Hoc Committee meeting and October 24, 2018 Board meeting.

On September 25, the Ad Hoc Committee requested a new property appraisal for the 330 Distel Circle property to receive an updated number of the potential proceeds that may be generated from a sale. The appraisal will inform whether additional funds beyond the current appraisal estimate of \$8 million may be available to augment the construction budget for the 5050 El Camino office remodel. Staff has initiated the appraisal process and a quote should be ready in approximately four (4) weeks from the date of this memorandum.

Review Public Outreach Plan

Staff drafted a public outreach plan and presented it to the Ad Hoc Committee on September 25, 2018. The public outreach objective is to engage in proactive outreach to inform District audiences of the purpose, need, benefits, and progress of the new administrative office, communicate how the new office helps fulfill the District's mission with a continued commitment to fiscal responsibility, and receive and incorporate public feedback where appropriate.

The Ad Hoc Committee confirmed the content and schedule of the draft public outreach plan, which sets milestones for public outreach activities until after the close of escrow. Staff will present the plan to the full Board on October 24, 2018.

Departmental Interviews to Confirm Program Elements.

On October 1 and 2, 2018, Noll & Tam held interviews with each department to review and confirm departmental space needs and goals as outlined in the December 2017 MKThink report. Noll & Tam also reviewed and discussed each department's specialty equipment requirements, best primary and secondary department adjacencies, and specialized storage needs. The architects toured each department's current spaces to assess details not discussed during the meetings.

Project Schedule and Workplan

The updated table below lists the major project milestones, including items that require participation by either the Ad Hoc Committee or the full Board.

PROJECT SCHEDULE WITH KEY MILESTONES

<u>DATE</u>	<u>PROCESS</u>	<u>AD HOC</u>	<u>FULL BOARD</u>
9/25/2018	Review and prioritize project goals, program elements. Review public outreach approach	X	
10/1 - 10/2/2018	Department interviews to confirm departmental program elements	X	
10/10/2018	FYI Memo		X
10/17/2018	Design charrette (preliminary layout and budget)	X	
10/24/2018	Program elements prioritization, timeline, budget assessment and public outreach plan		X
12/5/2018	Schematic design updates review	X	
1/2019	Begin public outreach/engagement	X	
2/13/2019	Full Board Study Session		X
3/4 - 3/8/2019	Provide input on Final Schematic Design	X	
4/24/2018	Full Board Approval of Final Schematic Design		X

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