



Midpeninsula Regional  
Open Space District

R-21-39  
Meeting 21-09  
March 10, 2021

## AGENDA ITEM 5

### AGENDA ITEM

Consideration of LEED (Leadership in Energy and Environmental Design) Alternatives for the Administrative Office Project

### GENERAL MANAGER'S RECOMMENDATIONS

Choose one of four LEED alternatives:

- LEED Gold Level equivalent design (*General Manager's Recommendation*)
- LEED Gold Level certification through U.S. Green Building Council
- LEED Silver Level equivalent design
- No LEED association

### SUMMARY

The Administrative Office Project (AO or Project) will repurpose an existing commercial office building located at 5050 El Camino Real in Los Altos, CA for use as the main administrative office for the Midpeninsula Regional Open Space District (District). The main scope of work includes interior insulation, interior building system upgrades (including a new energy-efficient heating/ventilation/air conditioning (HVAC) system), exterior building re-siding and roof repairs, rooftop solar panels, plumbing repairs and upgrades, re-paving and parking re-stripping, electric vehicle charging stations, drainage and utility improvements, and interior space reconfiguration to accommodate open work areas and space to host public meetings and public gatherings. At the January 20, 2021 Board of Directors (Board) meeting, the Board authorized the General Manager to enter into a contract with BHM Construction, Inc., (BHM) to begin construction on all scope of work except for Bid Alternate 2 – Sustainability Submittals (R-21-09). The Board requested that the General Manager return with additional information on LEED alternatives to confirm whether to proceed with Bid Alternate 2.

### BACKGROUND

The District has been evaluating options to address the lack of sufficient administrative office (AO) space to meet ongoing and long-term business needs since 2015, as the organization began to undergo significant internal growth 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.

At the December 6, 2017 public meeting, the Board approved the Space Needs Assessment & Basic Program Report (R-17-128) for the Project. At the August 22, 2018 public meeting, the Board approved a contract with the design consultant, Noll & Tam, to assess and design the new AO based on the Board-approved project design goals, program elements, and space needs (R-18-97 and R-18-100). At the October 24, 2018 public meeting, District staff and the Board began the design process for the new AO by prioritizing project goals and space needs (R-18-123).

From January through May 2019, the Board held a public open house and several public meetings to solicit public input and provide feedback on the evolving schematic design options, cost estimates, and alternatives to reduce total project costs. At the May 22, 2019 public meeting, the Board approved the final schematic design and associated cost estimate (R-19-64). On the same date, the Board approved a contract amendment with Noll & Tam to continue with the remaining phases of the Project, including design development, construction documents, permitting assistance, construction administration, and as-built drawings.

At the October 9, 2019 Board meeting, the Board reviewed the design development plans and revised cost estimate to confirm that the Project as designed meets the Board-approved project goals, program elements, design direction, and project budget (R-19-130). As part of this review, the Board approved the design development plans, allowing Noll & Tam to proceed into the next project phase - construction documents (detailed, constructible plans) and permitting. Early during the design development process, Noll & Tam performed a day long design charrette with the design team to assess the potential for achieving LEED certification. This review determined that certification for the project could be achieved at the LEED Gold Level (refer to Attachment 1 for LEED gold credits and potential points, which shows the project potentially receiving 61 total points). To achieve certification, several actions would be required by the design team and contractor, including detailed documentation. After reviewing the results from the design charrette, the Board selected to proceed with LEED equivalent design but not LEED certification due to concerns about the documentation costs and certification fees.

At the February 12, July 22, and September 9, 2020 Board meetings, the Board reviewed and provided feedback on the construction documents and directed the design team to continue with LEED gold equivalent design. The City of Los Altos has approved the design and issued the Building Permit. At the January 20, 2021 Board meeting, the Board authorized the General Manager to enter into a contract with BHM to begin construction on all scope of work except for Bid Alternate 2 – Sustainability Submittals (R-21-09), requesting that clarification on the need for the cost as well as LEED alternatives be presented first to the Board to confirm whether to proceed with this bid alternate item. Below is a description of Bid Alternate 2:

As a cost saving effort, rather than going through the formal LEED certification process, the District has been proceeding with next steps to support the intention of informing the public about the environmental considerations taken in repurposing the building for District use. This communication would occur through information posted on the building, District website, publications, and other materials. This bid alternate would ensure that LEED-compliant building products that respond to the “Materials and Resources” category under the LEED rating sheet are installed by the contractor as part of the contract and that the relevant information about these products are provided during the construction phase. More specifically, the “Materials and Resources” category focuses on the use of products and materials for which life-cycle information is available and that have environmentally,

economically, and socially preferable life-cycle impacts. LEED points are assigned for selecting products from manufacturers who have verified, improved environmental life-cycle impacts. The documentation provided under Bid Alternate 2 would include details on:

- What products were used in construction
- How the product was produced
- What the product contains

The actions covered under Bid Alternate 2 would yield 4 LEED points that are necessary to reach LEED Gold Level equivalency (a rating that requires 60 to 79 total points earned) – without this bid alternate, the District would not reach Gold Level equivalency, and instead move down to Silver Level (a rating that requires 50 to 59 total points earned). The selected LEED building products and record keeping information that Bid Alternate 2 provides would support District communications efforts by retaining sufficient in-house documentation to validate the LEED equivalency communications.

This bid alternate was not part of the base bid because LEED equivalency is not technically required to complete the Project. Separating this item from the base bid allows the District to review the costs and confirm whether to proceed with having the Project meet LEED Gold *equivalent* standards. BHM's bid price is \$45,000.

## DISCUSSION

LEED is a credit/point-based rating system, which points can be achieved by meeting prescriptive and/or performance requirements in certain credits (categories of design). The goal of LEED is to help building owners and operators be environmentally responsible and use resources efficiently. LEED credits can be broken down into the following main categories:

- Sustainable Sites
- Water Efficiency
- Energy and Atmosphere
- Materials and Resources
- Indoor Environmental Quality
- Innovation and Design Process

See Attachment 1 for LEED gold credits and potential points.

Per Board and Ad Hoc Committee direction, the Project is currently designed and permitted with City of Los Altos to be able to meet LEED Gold Level *equivalency*. To date, the Board has not directed the General Manager to proceed with LEED certification through the U.S. Green Building Council (USGBC). If the Board changes direction and selects certification, the formal certification process will require registration, project design and documentation review, and certification fees. While it is possible to apply and acquire LEED gold certification during construction, the formal process is typically done at the start of the project design and documented throughout the project. Doing so now would impact the project cost and likely the project schedule.

## **LEED Alternatives for Board Consideration**

Below is a summary of four alternatives for project design and documentation related to LEED.

- *LEED equivalent (Gold level) -- \$45,000 (General Manager Recommendation).*  
This is the current project approach and consistent with Board direction provided during design development. The current design includes most of the LEED energy and water efficiency elements, two important areas based on previous Board input. The current design also includes elements that promote indoor environmental quality. Collectively, these and other environmentally sustainable building elements afford 57 potential LEED credits, 3 points less than the required minimum of 60 credits for LEED Gold equivalency. Bid Alternate 2 would provide building products and associated information in compliance with LEED credits having to do with “Materials and Resources”. The building product information would focus on “Environmental Product Declarations” and “Material Ingredients”. With Bid Alternate 2, the Project would receive 4 additional LEED credits needed to reach LEED gold equivalency. If this approach is selected and reaffirmed by the Board, the District will have sufficient credits to meet LEED gold equivalency. In addition, the District will retain useful in-house documentation to support efforts for educating the public on the environmentally responsible design and efficient use of resources and building materials to complete the project by allowing the inclusion of detailed information posted in the building, District website, publications, social media, and other materials.

This alternative requires Bid Alternate 2 at \$45,000. As a reminder, Bid Alternative 2 was awarded by the Board in January 2021, but is subject to District discretion on whether to remove it from the contract, pending final Board direction at this meeting. Bid Alternative 2 would require contractor to provide building products and associated information that complies with LEED credits having to do with “Materials and Resources” category. Without Bid Alternative 2, the contractor would only have to select building products that comply with project plans and specifications, but not LEED requirements. This alternative will have no impact to the current construction schedule or add to the current construction cost.

- *LEED certification through U.S. Green Building Council (Gold level) -- \$245,000.*  
The project is currently designed to LEED gold equivalent standards. To acquire LEED Gold Level certification from USGBC, the project would need to complete the following:
  - Review design process with design consultant to document each LEED credit and point per USGBC requirements to assemble the LEED design documentation.
  - Review contractor submittals during construction for LEED compliance.
  - Apply for LEED certification with USGBC and submit LEED design documentation.
  - Address comments and revisions from USGBC review. Some revisions may impact construction costs and schedule.
  - Submit construction documentation to USGBC.
  - Close out project and receive LEED certification and plaque.

During the documentation process, some anticipated points may not materialize while additional points may be achieved through discoveries along the way. Final points will not be fully determined until documentation has been completed.

The total additional estimated cost associated with this alternative is \$245,000 and includes:

- USGBC application, reviews, and certification – approximately \$40,000.
- Consultant fee for LEED documentation, design revisions, and coordination – approximately \$160,000.
- Bid Alternate 2 – \$45,000

Depending on the revisions requested during the USGBC review process, pursuing LEED gold certification may further result in additional costs and also impact the current construction schedule. Construction cost increases may be processed using the Board-approved project contingency or may require Board approval of contract changes. This alternative would allow for an official LEED gold certification and plaque installation on the building.

- *LEED equivalent (Silver level) -- \$0*  
The project can achieve LEED equivalency at the Silver level (one level below Gold) without Bid Alternate 2 and without any additional project costs. Without Bid Alternate 2, the project would lose up to 4 LEED points, dropping to a total of 57 points (a Gold rating requires 60 to 79 total points and a Silver rating requires 50 to 59 points; see Attachment 1). At the Silver level, the project would incorporate fewer LEED compliant building materials and products as part of the construction. As a reminder, there are four levels/ratings of LEED – Platinum (highest), Gold, Silver, and Certified. Under this alternative, the District would deduct the \$45,000 line item for Bid Alternate 2 from the construction contract. To maintain documentation in-house about the Silver equivalency level, the District would work with the design team and contractor to provide sufficient level of documentation for both validating the equivalency level and for informing District messaging and communications about the Project. However, note that this information will likely be broader in scope than what is provided with Bid Alternate 2.
- *No LEED association -- \$0.*  
Under this alternative, the District would also deduct the \$45,000 line item for Bid Alternate 2 from the construction contract and dissociate the building design and construction with LEED. The District would still have some opportunity to educate the public about the environmental design and construction in broad terms without using LEED language or equivalency ratings.

See Attachment 2 for a Comparison of Strengths and Weaknesses of LEED Implementation Alternatives.

## FISCAL IMPACT

At each major milestone, the District presents a revised cost estimate to ensure that the overall administrative office project remains within the May 2019 Board-approved project budget of \$27.4 million (R-19-64). The latest 100% construction cost estimate is approximately \$20.5 million and includes \$45,000 for Bid Alternate 2 to proceed with the *LEED gold level equivalent* alternative. When the construction and other soft cost estimates (permit fees, construction

management, inspections, design consultant, and interpretive elements) are combined, the overall project cost estimate is \$26.8 million, or \$0.6 million less than the Board approved project budget.

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 will also come from the future sale of the current 330 Distel Circle office (R-20-117).

The FY21 adopted budget includes \$8,488,000 for the New Administrative Office (AO) Facility project #31202. As mentioned above, the *LEED gold rating equivalent* alternative is factored into the project budget table shown below. If the *LEED gold certification* alternative is selected, the associated costs will be factored into future fiscal year Budgets.

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 <sup>2</sup> :	\$1,744,869	\$8,402,000	\$17,253,131	\$0	\$0	\$27,400,000 <sup>1</sup>
Move-in and Closeout <sup>3</sup> :	\$0	\$86,000	\$1,051,927	\$0	\$0	\$1,137,927
<b>Total Budget:</b>	<b>\$33,487,275</b>	<b>\$8,488,000</b>	<b>\$18,305,058</b>	<b>\$0</b>	<b>\$0</b>	<b>\$60,280,333</b>
Acquisition and associated purchase costs Spent-to-Date (as of 02/18/2021):	(\$31,742,406)	\$0	\$0	\$0	\$0	(\$31,742,406)
Spent-to-Date (as of 02/18/2021):	(\$1,744,869)	(\$125,494)	\$0	\$0	\$0	(\$1,870,363)
Encumbrances:	\$0	(\$8,362,506)	(\$14,430,949)	\$0	\$0	(\$22,793,455)
<b>Budget Remaining (Proposed):</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,874,109</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,874,109</b>

<sup>1</sup>Amount reflects Board approved budget of \$27.4M – however, note that the current total cost estimate for this line item stands at \$26.8 million (\$0.6 million below the approved budget).

<sup>2</sup>FY22 amount reflects revised, updated estimate based on current accelerated schedule

<sup>3</sup>The FY22 projection of \$1.05 million has not been approved by the Board and will be reviewed by the Board as part of the FY22 Budget and Action Plan process

## BOARD AND COMMITTEE REVIEW

This Project and consideration of LEED design previously came before the full Board of Directors at the following public meetings:

- **October 24, 2018:** Board review and approval of the Project Design Goals and Program Elements, including LEED gold rating equivalency. ([R-18-123](#), [meeting minutes](#))
- **January 9, 2019:** FYI Memorandum summarizing the AO Facility Ad Hoc Committee meeting summary, including discussion on LEED gold rating equivalency. ([FYI Memo](#))
- **January 23, 2019:** Board review and feedback on the project design, including LEED gold rating equivalency. ([R-19-06](#), [meeting minutes](#))

- **July 22, 2020:** Board review and feedback on the project design, including LEED gold rating equivalency. ([R-20-76](#), [meeting minutes](#))
- **January 20, 2021:** Board authorization for the General Manager to enter into a contract with BHM Construction, Inc., to begin construction. ([R-21-09](#), [meeting minutes](#))

## **PUBLIC NOTICE**

Public notice was provided as required by the Brown Act.

## **CEQA COMPLIANCE**

In accordance with the State California Environmental Quality Act (CEQA) Guidelines, the proposed project is categorically exempt from CEQA under Section 15301, Existing Facilities. This exemption consists of the operation, repair, maintenance, permitting, or minor alteration of existing public or private structures, facilities, mechanical equipment, involving negligible or no expansion of existing or former use and allows an increase up to a 2,500 square feet addition. The scope of work for this project is consistent with the description of this exemption. District staff filed Notices of Exemption with Santa Clara County on September 24, 2020.

## **NEXT STEPS**

The General Manager will direct BHM Construction, Inc., to proceed with the Board-selected alternative. Construction began in February 2021 and is expected to be completed by March 2022.

### **Attachments:**

1. LEED Gold Credits and Potential Points
2. Comparison of Strengths and Weaknesses of LEED Implementation Alternatives

### **Responsible Department Head:**

Jason Lin, Engineering and Construction Department Manager

### **Prepared by:**

Tanisha Werner, Senior Capital Project Manager, Engineering and Construction Department

# ATT 1 - LEED GOLD CREDITS AND POINTS

## Midpen AO

Project Checklist  
LEED Equivalency

Y	?	N
1	0	0

Credit Integrative Process **1**

13	0	2	Location and Transportation	16
13	0	2	Credit LEED for Neighborhood Development Location	16
0	0	0	Credit Sensitive Land Protection	1
0	0	2	Credit High Priority Site	2
5	0	0	Credit Surrounding Density and Diverse Uses	5
5	0	0	Credit Access to Quality Transit	5
1	0	0	Credit Bicycle Facilities	1
1	0	0	Credit Reduced Parking Footprint	1
1	0	0	Credit Green Vehicles	1

1	2	3	Sustainable Sites	10
1	2	3	Prereq Construction Activity Pollution Prevention	Required
1	0	0	Credit Site Assessment	1
0	0	0	Credit Site Development - Protect or Restore Habitat	2
0	0	0	Credit Open Space	1
0	0	3	Credit Rainwater Management	3
0	2	0	Credit Heat Island Reduction	2
0	0	0	Credit Light Pollution Reduction	1

3	3	4	Water Efficiency	11
3	3	4	Prereq Outdoor Water Use Reduction	Required
3	3	4	Prereq Indoor Water Use Reduction	Required
3	3	4	Prereq Building-Level Water Metering	Required
0	2	0	Credit Outdoor Water Use Reduction	2
3	0	3	Credit Indoor Water Use Reduction	6
0	0	1	Credit Cooling Tower Water Use	2
0	1	0	Credit Water Metering	1

14	15	0	Energy and Atmosphere	33
14	15	0	Prereq Fundamental Commissioning and Verification	Required
14	15	0	Prereq Minimum Energy Performance	Required
14	15	0	Prereq Building-Level Energy Metering	Required
14	15	0	Prereq Fundamental Refrigerant Management	Required
6	0	0	Credit Enhanced Commissioning	6
3	15	0	Credit Optimize Energy Performance	18
1	0	0	Credit Advanced Energy Metering	1
0	0	0	Credit Demand Response	2
3	0	0	Credit Renewable Energy Production	3
1	0	0	Credit Enhanced Refrigerant Management	1
0	0	0	Credit Green Power and Carbon Offsets	2

9	2	2	Materials and Resources	13
9	2	2	Prereq Storage and Collection of Recyclables	Required
9	2	2	Prereq Construction and Demolition Waste Management Planning	Required
3	0	2	Credit Building Life-Cycle Impact Reduction	5
2	0	0	Credit Building Product Disclosure and Optimization - Environmental Product Declarations	2
0	2	0	Credit Building Product Disclosure and Optimization - Sourcing of Raw Materials	2
2	0	0	Credit Building Product Disclosure and Optimization - Material Ingredients	2
2	0	0	Credit Construction and Demolition Waste Management	2

16	0	0	Indoor Environmental Quality	16
16	0	0	Prereq Minimum Indoor Air Quality Performance	Required
16	0	0	Prereq Environmental Tobacco Smoke Control	Required
2	0	0	Credit Enhanced Indoor Air Quality Strategies	2
3	0	0	Credit Low-Emitting Materials	3
1	0	0	Credit Construction Indoor Air Quality Management Plan	1
2	0	0	Credit Indoor Air Quality Assessment	2
1	0	0	Credit Thermal Comfort	1
2	0	0	Credit Interior Lighting	2
3	0	0	Credit Daylight	3
1	0	0	Credit Quality Views	1
1	0	0	Credit Acoustic Performance	1

1	0	0	Innovation	6
1	0	0	Credit Innovation	5
1	0	0	Credit LEED Accredited Professional	1

















3	0	0	Regional Priority	4
3	0	0	Credit Regional Priority: Specific Credit	1
3	0	0	Credit Regional Priority: Specific Credit	1
3	0	0	Credit Regional Priority: Specific Credit	1
3	0	0	Credit Regional Priority: Specific Credit	1




61	22	11	TOTALS	Possible Points: 110
Certified: 40 to 49 points, Silver: 50 to 59 points, Gold: 60 to 79 points, Platinum: 80 to 110				

Bid Alternate 2 Items



**ATTACHMENT 2. Comparison of Strengths and Weaknesses of LEED Implementation Alternatives**

	<b>Implementation Cost</b>	<b>Education Opportunities</b>	<b>Construction Impact</b>	<b>Environmentally Responsible Design</b>
<b>LEED Gold Rating Equivalent</b>				
	Low cost	District will provide detailed information in the building and website to educate public on the LEED design elements and equivalency, including details about materials and construction. Gold rating equivalent has more education opportunities than silver rating equivalent due to the LEED points from Bid Alternate 2.	No impact to current construction schedule.	Will have sufficient high level information to state that the building meets LEED gold equivalent standard for energy and water efficiency design.
<b>LEED Gold Certification</b>				
	Highest cost	District will display official USGBC plaque in the building and provide information in the building and website to educate public on the LEED design elements.	May impact the current construction schedule if there are changes required during the USGBC review process.	Will have LEED gold certification in energy and water efficiency design
<b>LEED Silver Rating Equivalent</b>				
	Least cost	District will provide detailed information in the building and website to educate public on the LEED design elements and equivalency, including details about materials and construction.	No impact to current construction schedule.	Will have sufficient high level information to state that the building meets LEED silver equivalent standard for energy and water efficiency design. Silver rating equivalent is less environmentally responsible for not attempting all possible points in the Materials and Resources category.
<b>No LEED</b>				
	Least cost	District will provide broad-level information in the building to educate public on certain LEED elements.	No impact to current construction schedule.	Is designed with the expectation of meeting LEED gold equivalent standards in energy and water efficiency design. Overall less environmentally responsible for not attempting all possible points in the Materials and Resources category and not confirming that LEED equivalencies are met.

	<b>Strong alignment with objective</b>
	<b>Medium alignment with objective</b>
	<b>Weak alignment with objective</b>