



Midpeninsula Regional
Open Space District

R-21-45
Meeting 21-10
March 24, 2021

AGENDA ITEM 6

AGENDA ITEM

Award of Contract for Special Inspection Services for the Administrative Office Project

GENERAL MANAGER'S RECOMMENDATIONS

1. Authorize the General Manager to enter into a contract with Signet Testing Labs, Inc., of Hayward, California for a not-to-exceed base contract amount of \$102,845 to complete special inspection work scheduled between March 2021 and Spring 2022 for the Administrative Office Project.
2. Authorize a 10% contract contingency of \$10,285 to be reserved for unanticipated issues, thus allowing the total contract amount to not-to-exceed \$113,130.

SUMMARY

Special inspections are required by the City of Los Altos to be performed by a certified inspection firm for the Administrative Office Project (Project); in-house expertise cannot perform this service. A Request for Proposals (RFP) was issued on February 22, 2021 and six firms submitted proposals. After a competitive selection process, Signet Testing Labs, Incorporated, (Signet) was identified as the most qualified firm with a high level of responsiveness and competitive rates.

The General Manager recommends awarding a contract to Signet for a base amount of \$102,845 and to hold a 10% contingency of \$10,285 to cover unanticipated construction-related or City required special inspections if issues or new needs arise during the construction work. The project budget is sufficient to complete the recommended work, however, the Fiscal Year 2020-21 (FY21) appropriation is not sufficient and a budget amendment will be brought to the Board of Directors as part of the proposed FY21 Quarter 3 budget adjustments to cover the recommended action for FY21.

BACKGROUND

Special inspections are required as a condition of the City of Los Altos building permit for the Administrative Office Project. Support from a special inspection firm will provide the following services:

- Special inspections for cast in place concrete and reinforcement
- Structural steel fabrication, erection, and welding special inspections
- Anchor and dowel inspections

- Wood construction oversight
- Roof framing and nailing inspections
- Engineering consultation and recommendations on an as-needed basis
- Project management and close-out

The special inspection firm will ensure that specific material/construction such as concrete, compaction testing, framing, and structural steel, meet engineering and building code standards. Their proposal also includes a dedicated team of inspectors and a project administrator.

An inspector from the special inspection firm would work in collaboration with the District's Senior Capital Project Manager to perform special inspections and provide the required documentation and approvals to the City of Los Altos to meet permit requirements.

DISCUSSION

Consultant Selection

A Request for Proposals (RFP) was issued on February 22, 2021 on BidSync and a project announcement was emailed to several firms. Six firms submitted proposals on March 4, 2021. The following table summarizes the fee schedule for each consultant.

Consultant	Inspection Rate for Cast in Place Concrete	Inspection Rate for Structural Steel Welding	Inspection Rate for Wood Framing	Inspection Rate for Roofing	Fee for Engineering Reviews	Annual Fee Escalation? (yes or no?)
Inspection Services, Inc.	\$101/hour	\$103/hour	\$155/hour	excluded	\$155/hour	Yes
BAGG Engineers	\$130/hour	\$130/hour	\$130/hour	Service offered, cost unclear	\$200/hour	Yes
Ninyo & Moore	\$95/hour	\$95/hour	\$95/hour	\$165/hour	\$185/hour	Yes
Signet Testing Labs, Inc.	\$104/hour	\$104/hour	\$104/hour	\$104/hour	\$175/hour	No
Construction Testing Services, Inc.	\$82/hour	\$82/hour	\$82/hour	\$225/hour	\$125/hour	Yes
CEL	\$88/hour	\$88/hour	\$88/hour	excluded	7% of total fee	Yes

The following table summarizes the fee proposals for each consultant.

Consultant	Original Proposal Price
Inspection Services, Inc.	\$ 86,803.00
BAGG Engineers	\$ 62,880.00
Ninyo & Moore	\$ 78,415.00
Signet Testing Labs, Inc.	\$ 65,929.00*
Construction Testing Services, Inc.	\$ 71,747.00
CEL	\$ 84,723.00

*NOTE: The Signet original fee of \$65,929 did not include inspection services for shotcrete, roof framing, roof nailing, and had minimal support for welding at the steel fabrication location and in the field. The negotiated fee of \$102,845 includes these additional services.

Each proposer submitted information on their team background, an organization chart, team qualifications, relevant experience, and an acknowledgement of the District's standard agreement and insurance requirements. Each proposal also included fee schedules, proposed fees, an approach to project delivery, and quality control processes.

District staff and the consulting construction manager reviewed the proposals and rated them based on their ability to provide the array of inspections needed for this project and quick turnaround time for responding to inspection requests. Overall, the fee schedules for various types of inspection are comparable among the proposals. The proposal price differences shown in the second table above primarily resulted from the proposer's understanding of the scope of work and frequency of inspections.

Staff reached out to the top-rated firm to enter into contract negotiation but did not receive a response. To meet the aggressive construction schedule, staff moved on to contacting the second highest rated firm, Signet, who was very responsive and collaborative. Their quoted fees are valid through June 30, 2022, and therefore are not subject to cost escalation for the duration of this Project. Staff coordinated with the contractor to better understand the sequencing and frequency of the special inspections; this information was coordinated with Signet to verify that their scope and fee were in alignment with the contractor's schedule. Staff also requested inclusion of roofing and shotcrete inspections, bringing their revised cost fee to \$102,845. A 10% contingency is recommended to cover additional construction-related or City required special inspections if unanticipated issues arise through project close-out. These contingency funds would only be used as recommended by the District Project Manager and authorized by the Assistant General Manager for additional special inspections beyond those included in the base contract scope of work.

FISCAL IMPACT

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 (R-20-117).

The Project budget is sufficient to complete the recommended work, however the appropriation in the FY21 project budget is not sufficient to cover the recommended action and expenditures through the end of this fiscal year. A Quarter 3 budget adjustment would be necessary to cover the recommended action and FY21 budget increase. Additionally, the FY22 project budget will be reduced by an equal amount such that there is no net change to the total project budget.

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 ² :	\$1,744,869	\$8,402,000	\$17,253,131	\$0	\$0	\$27,400,000 ¹
Move-in and Closeout ³ :	\$0	\$86,000	\$1,051,927	\$0	\$0	\$1,137,927
Total Budget:	\$33,487,275	\$8,488,000	\$18,305,058	\$0	\$0	\$60,280,333
Acquisition and associated purchase costs Spent-to-Date (as of 03/12/21):	(\$31,742,406)	\$0	\$0	\$0	\$0	(\$31,742,406)

Spent-to-Date (as of 03/12/21):	(\$1,744,869)	(\$161,259)	\$0	\$0	\$0	(\$1,906,128)
Encumbrances:	\$0	(\$8,326,741)	(\$14,430,949)	\$0	\$0	(\$22,757,690)
Signet Testing Labs, Inc Contract:	\$0	(\$30,000)	(\$72,845)			(\$102,845)
10% Contingency:	\$0	\$0	(\$10,285)			(\$10,285)
Budget Remaining (Proposed):	\$0	(\$30,000)	\$3,790,979	\$0	\$0	\$3,760,979

¹Amount 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).

²FY22 amount reflects revised, updated estimate based on current accelerated schedule

³The 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

The recommended action is not funded by Measure AA

BOARD AND COMMITTEE REVIEW

This Project 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. ([R-18-123](#), [meeting minutes](#))
- **January 9, 2019:** FYI Memorandum summarizing the AO Facility Ad Hoc Committee meeting summary. ([FYI Memo](#))
- **January 23, 2019:** Board review and feedback on the project design. ([R-19-06](#), [meeting minutes](#))
- **July 22, 2020:** Board review and feedback on the project design. ([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 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 Signet.

Responsible Department Head:

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