



Midpeninsula Regional  
Open Space District

R-21-153  
Meeting 21-31  
November 10, 2021

## AGENDA ITEM 8

### AGENDA ITEM

Contract Amendment with BHM Construction, Inc., to fabricate and install interior Public Interpretive Elements at the Administrative Office located at 5050 El Camino Real in Los Altos and augment the Project Contingency Funds to bring the overall Administrative Office Project to completion and reach the March 2022 scheduled closeout date

### GENERAL MANAGER'S RECOMMENDATIONS *den*

1. With designs for the public-facing interpretive elements for the Administrative Office project now final, approve the addition of a subcontractor to the contract with BHM Construction, Inc., to complete the fabrication and installation of two interior elements.
2. Authorize the General Manager to amend the original contract of \$21,982,643 with BHM Construction, Inc., by \$306,253 to fabricate and install two interior public-facing interpretive elements, bringing the total contract amount to \$22,288,896.
3. Authorize an additional \$160,000 in project contingency funds to cover unanticipated conditions through project closeout, for a new, not-to-exceed total contract amount of \$22,448,896.

### SUMMARY

On January 20, 2021, the Midpeninsula Regional Open Space District (District) Board of Directors (Board) awarded a construction contract to BHM Construction, Inc., (BHM) to reconfigure and repurpose a multi-suite office building at 5050 El Camino Real, Los Altos into the main Administrative Office. BHM's activities began in February 2021.

In order to design interpretive elements in the public-facing spaces of the Administrative Office that align with and complement the building architect's plans, the District completed a competitive consultant selection process in the fall of 2020 and entered into a contract with EDX Exhibits (EDX) ([R-20-133](#)). The Administrative Office Interpretive Elements project is divided into two phases – (1) Planning and Design, and (2) Fabrication and Installation.

EDX recently completed their Planning and Design work, and the outdoor interpretive elements are already in the process of being fabricated and installed by BHM (these elements were originally part of the BHM scope and contract and include exterior banners and exterior interpretive signage). Two interpretive elements that remain to be fabricated and installed, and were not part of BHM's original scope, are an interior topographic relief model and interior interpretive wall exhibit – both approved by the Board on August 25, 2021 ([R-21-111](#)). The

District initially planned to award a separate contract with a firm to fabricate and install these two indoor features.

In order to complete Fabrication and Installation of the remaining interpretive elements as efficiently and close to the March 2022 construction project completion date as possible, the General Manager recommends amending the contract with BHM to add a subcontractor to the project who is qualified to complete this scope of work. By approving this additional work as part of the existing contract with BHM, the District will gain efficiency in cost and schedule. Staff worked with BHM to ensure the proposed scope of work and cost is competitive and aligns with the cost estimate for fabrication and installation prepared by EDX. The negotiated cost for fabricating and installing the two interior interpretive elements is \$306,253.

BHM's construction work is approximately 80% complete, and they are on track for a March 2022 project closeout. To date, approximately 75% of the project contingency has been expended due to a number of issues discovered during construction activities to repair, upgrade, reconfigure, and repurpose the +30-year-old office building. BHM's remaining work includes interior finishes, window and glass installation, elevator installation, equipment commissioning, and site work for underground utilities and parking lot improvements. The underground utility work is considered high risk for discovering unanticipated buried conditions, which would require the use of contingency funds. The Project, along with other construction work elsewhere, is also experiencing supply chain delays associated with the COVID-19 pandemic, which has required additional funds to expedite and guarantee delivery of materials and equipment to the site to maintain the schedule.

The General Manager therefore recommends a base contract amendment in the amount of \$306,253 and an additional project contingency of \$160,000 to cover unforeseen conditions. Together, the total contract amount would not-to-exceed \$22,448,896. The adopted fiscal year 2021-22 (FY22) project budget includes sufficient funds to cover the contract amendment.

## **DISCUSSION**

### Interior Interpretive Elements

In October 2021, EDX completed designs for the interpretive elements identified by the building architect in the public-facing areas of the new Administrative Office at 5050 El Camino Real. Most of the interpretive elements are already in the process of being fabricated and installed by the building construction contractor, BHM, including exterior interpretive signs and banners, and quotes and large-scale images on indoor walls.

Two remaining interpretive elements, an interior topographic relief model and interior interpretive wall exhibit, were not included in BHM's original scope to fabricate and install because this scope was not developed or finalized prior to bidding the construction project. Upon reviewing options for completing the interpretive work, a contract amendment with BHM is the most efficient and timely path forward because they are currently working onsite, able to meet the project schedule, and have demonstrated effective construction management capability.

BHM proposes to add subcontractor Group Delphi based in Alameda, California to their subcontractor list to complete the interpretive fabrication and installation for \$297,753. Group Delphi specializes in fabricating museum exhibits and works closely with clients to create custom interpretive displays. Their work amplifies awe and curiosity while complementing context. From design finalization to fabrication and installation, Group Delphi will work hand in hand

with the team to realize the educational, inspirational, and graphic intent of the multi-dimensional mural and topographic relief model.

The Board approved a \$15,000 contract amendment with EDX on October 13, 2021 ([R-21-135](#)) so that EDX could oversee the fabrication and installation as needed, and ensure the design intent of the final product is met.

The General Manager recommends approving the additional scope and adding funds to the contract with BHM to expediently commence the fabrication and installation of the remaining interpretive elements for an amount of \$306,253.

#### Overall Construction Progress

BHM has been working diligently to complete their construction improvements, within their allotted construction timeframe. They have completed approximately 80% of their scope and are on track to close out the project in March 2022. The Board approved a 10% contingency of \$1,998,422 to be reserved for unanticipated issues as part of the original contract award. In order to keep the project moving and resolve unanticipated conditions as they come up, staff has utilized the project contingency. To date, approximately 75% of the project contingency has been authorized to cover unanticipated condition, including, but not limited to:

- Sistering the roofing members, due to water damage and poor original roof construction methods;
- Replacing the second-floor substrate, due to extensive water damage;
- Re-framing the windows and adding in waterproofing materials, because the existing window openings were not straight and did not have waterproofing material;
- Installing fall protection devices on the roof, to assist with the roof maintenance;
- Modifying the access control security system to secure tenant and basement spaces; and
- Installing a temporary roof, given supply chain delays with the roofing insulation material and the start of the wet season.

Staff has been able to respond to these issues immediately, with the contingency that was authorized. Additional contingency funds are requested because there are remaining activities that have a high risk of potentially discovering unanticipated issues. The contractor still has to complete their interior finishes, window and glass installation, elevator installation, equipment commissioning, and site work for the installation of underground utilities and parking lot improvements. The underground utility work is considered high risk for discovering unanticipated buried conditions, because the condition of the existing utilities is not fully unknown. There are also supply chain delays associated with the COVID-19 pandemic, which has required additional contingency funds to be used to expedite and guarantee delivery of materials and equipment to the site. With the requested additional \$160,000, the total project contingency is approximately 11% of the total project cost.

The total recommended contract amendment for the interior interpretive elements and the additional contingency is \$466,253. With the recommended amendment and contingency, the Administrative Office project continues to remain below the Board-approved project budget for planning, design, and construction.

#### **FISCAL IMPACT**

The overall Administrative Office project remains below the May 2019 Board-approved project budget for planning, design, and construction of \$27.4 million ([R-19-64](#)). 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 330 Distel Circle office ([R-20-117](#)).

The FY22 adopted budget for the New Administrative Office (AO) Facility project #31202 is \$16,168,483. At the same Board meeting, a FY21 carryover of \$2,027,102 is being proposed as part of the Quarter 1 review, bringing the FY22 budget to \$18,195,585. There are sufficient funds in the project budget to cover the recommended expenditures.

| <b>New Administration Office (AO) Facility #31202</b>                     | <b>Prior Year Actuals</b> | <b>FY22 Adopted</b> | <b>FY23 Projected</b> | <b>FY24 Projected</b> | <b>TOTAL</b>              |
|---|---------------------------|---------------------|-----------------------|-----------------------|---------------------------|
| Acquisition:  | \$31,742,406              | \$0                 | \$0                   | \$0                   | \$31,742,406              |
| Planning/Design/Construction:   | \$8,213,167               | \$15,168,483        | \$20,000              | \$0                   | \$23,401,650 <sup>1</sup> |
| Move-in and Closeout:   | \$0                       | \$1,000,000         | \$0                   | \$0                   | \$1,000,000               |
| <b>Total Budget:</b>  | <b>\$39,955,573</b>       | <b>\$16,168,483</b> | <b>\$20,000</b>       | <b>\$0</b>            | <b>\$56,144,056</b>       |
| Proposed FY21 Carryover:  | \$0                       | \$2,027,102         | \$0                   | \$0                   | \$2,027,102               |
| <b>Total Proposed Budget:</b>   | <b>\$39,955,573</b>       | <b>\$18,195,585</b> | <b>\$20,000</b>       | <b>\$0</b>            | <b>\$58,171,158</b>       |
| Acquisition and associated purchase costs Spent-to-Date (as of 10/26/21): | (\$31,742,406)            | \$0                 | \$0                   | \$0                   | (\$31,742,406)            |
| Spent-to-Date (as of 10/26/21):   | (\$8,213,167)             | (\$1,950,420)       | \$0                   | \$0                   | (\$10,163,587)            |
| Encumbrances:   | \$0                       | (\$12,110,919)      | \$0                   | \$0                   | (\$12,110,919)            |
| BHM Contract Amendment:   | \$0                       | (\$306,253)         | \$0                   | \$0                   | (\$306,253)               |
| Additional Project Contingency:   | \$0                       | (\$160,000)         | \$0                   | \$0                   | (\$160,000)               |
| Signet Contract Amendment including Contingency <sup>2</sup> :            | \$0                       | (\$24,808)          | \$0                   | \$0                   | (\$24,808)                |
| <b>Budget Remaining (Proposed):</b>                                       | <b>\$0</b>                | <b>\$3,643,185</b>  | <b>\$20,000</b>       | <b>\$0</b>            | <b>\$3,663,185</b>        |

<sup>1</sup>Total costs for planning, design, and construction remain below the Board-approved budget of \$27.4M

<sup>2</sup>Item is also part of the November 10, 2021 regular Agenda for Board consideration.

The recommended action is not funded by Measure AA.

## BOARD AND COMMITTEE REVIEW

This project has previously come to 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, including discussion on LEED gold rating equivalency. ([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](#))

- **November 18, 2020:** The Board awarded a contract to EDX Exhibits to complete phase 1 planning and design. ([R-20-133, 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](#))
- **January 27, 2021:** The Board reviewed, discussed and approved the project brief, which documents the interpretive foundations that inform and guide the project. ([R-21-18, meeting minutes](#))
- **March 10, 2021:** The Board reviewed, discussed and approved the Scheme 1 design approach, which provides an overall design approach and general tone, mood and color palette for the project. ([R-21-37, meeting minutes](#))
- **June 2, 2021:** The Board confirmed their preference for use of the aluminum material chosen by the project architect for the four banners on the outside of the building, rather than a cut steel option shown at the March 10, 2021 board meeting. ([R-21-70, meeting minutes](#))
- **July 14, 2021:** The Board reviewed, discussed and approved designs for the exterior banners and interpretive signs, and the interior wall quotes. ([R-21-97, meeting minutes](#))
- **August 25, 2021:** The Board reviewed, discussed and approved designs for the final remaining interpretive elements: topographic relief model and interpretive wall exhibit. ([R-21-111, meeting minutes](#))
- **October 13, 2021:** The Board approved a contract amendment with EDX to provide support during fabrication and installation of the remaining interpretive elements. ([R-21-135](#))

## PUBLIC NOTICE

Public notice of this agenda item was provided as required by the Brown Act.

## CEQA COMPLIANCE

Fabrication and installation of the interpretive elements and modification to the access control system are not considered a project subject to the California Environmental Quality Act. Furthermore, the AO Project is categorically exempt from CEQA under Section 15301, Existing Facilities. District staff filed Notices of Exemption with Santa Clara County on September 24, 2020.

## NEXT STEPS

Pending Board approval, the General Manager will direct staff to amend the contract with BHM to fabricate and install the remaining administrative office interpretive elements and implement the modifications to the access control system.

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