

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF THE COUNTY OF SAN BERNARDINO
AND RECORD OF ACTION**

February 11, 2020

FROM

TERRY W. THOMPSON, Director, Real Estate Services Department – Project Management

SUBJECT

Award Construction Contract to McCarthy Building Companies, Inc. for 323 Building Acquisition and Remodel Project

RECOMMENDATION(S)

1. Approve the following addenda to the Bid Documents for the 323 Building Acquisition and Remodel Project.
 - a. Addendum No. 1 dated June 14, 2019, which revised the proposal schedule due dates.
 - b. Addendum No. 2 dated June 27, 2019, which revised the proposal schedule due dates and responded to the Design Builders' Request for Information (RFI's).
 - c. Addendum No. 3 dated July 23, 2019, which provided clarifications to the Design Builders' questions.
 - d. Addendum No. 4 dated August 1, 2019, which instructed all Design Builders to use creative design solutions to achieve the usable square footage requirements and provided clarifications to Design Builders' questions.
 - e. Addendum No. 5 dated August 13, 2019, which revised the proposal schedule due dates.
 - f. Addendum No. 6 dated August 19, 2019, which provided Design Builders with instructions for access to the property.
 - g. Addendum No. 7 dated August 29, 2019, which revised the proposal schedule due dates and provided clarifications to Design Builders' questions.
 - h. Addendum No. 8 dated September 6, 2019, which revised the proposal schedule due dates from September 18, 2019 to October 1, 2019.
 - i. Addendum No. 9 dated September 12, 2019, which provided clarifications to Design Builders' questions.
2. Award a design-build services **Contract No. 20-89** in the amount of \$25,957,100 to McCarthy Inc., including a \$257,100 Allowance for selected Added Value Alternates as the Design Builder provides the best value to the County for the 323 Building Acquisition and Remodel Project, in San Bernardino.
3. Authorize the Director of the Real Estate Services Department to order any necessary changes or additions in the work being performed under the contract for a total not to exceed \$210,000 pursuant to Public Contract Code Section 20142.
4. Authorized the Director of Real Estate Services Department to accept the work when 100% complete and execute and file the Notice of Completion.
(Presenter: Terry W. Thompson, Director, 387-5252)

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COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Improve County Government Operations.

FINANCIAL IMPACT

This item does not require additional Discretionary General Funding (Net County Cost). The 323 Building Acquisition and Remodel Project (Project) budget of \$37,200,000 is comprised of the following components:

Project Acquisition	\$2,302,100
Project Management, Inspection	\$2,570,000
Construction	\$25,700,000
Construction Contingency	\$2,600,000
Add Alternate Allowance	\$257,100
Honorarium	\$80,000
Software/ Hardware	\$1,674,800
Furniture, Fixtures and Equipment & Moving Expenses	\$2,016,000
Total Project Budget	\$37,200,000

The project budget of \$37,200,000 is funded with Discretionary General Funding (Net County Cost) previously approved by the Board of Supervisors (Board) for the County Buildings Acquisition and Retrofit Project. Sufficient appropriation and revenue is included in the 2019-20 Capital Improvement Program (CIP) budget to award this contract.

BACKGROUND INFORMATION

Approval of the recommendations will authorize the Real Estate Services Department (RESA), to complete the final step in the two-step procurement process to utilize the design-build project delivery method for the demolition of approximately 42,337 square feet of the existing building and construction of a new three-story structure, in San Bernardino, and to proceed with award of a Design Build services contract. The contract award includes a \$257,100 Allowance for selected Added Value Alternates including upgraded finishes and building envelope insulation to increase durability and extend useful life. The Project will consolidate three divisions of the Public Defender's Office into one central location. The design-build process allows the County to achieve the program mission for the "best value" in a timely and cost-effective manner. For these reasons, this Project meets the County and Chief Executive Officer's Goals and Objectives of Improving County Government Operations and Operating in a Fiscally Responsible Manner.

This Project is consistent with County Administrative Office approved CIP request No. 16-095.

PROCUREMENT

On December 15, 2015 (Item No. 51), the Board of Supervisors (Board) approved the purchase of the 323 West Court Street in the City of San Bernardino. The building is approximately 42,337 square feet with an existing, surface parking lot adjacent to the building, and is currently unoccupied.

On September 11, 2018 (Item No. 53) the Board authorized RESA to utilize the design-build project delivery method pursuant to Public Contract Code Section 22160 et. seq. for the Project. This authorization also approved the Design-Build Pre-Qualification Package for design-build contractors to provide design and construction services for the Project. The approval of this Pre-Qualification Package was the first step of a two-step procurement process for the selection

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of a design-build contractor for the Project. The purpose of the Pre-Qualification Package was to solicit preliminary information from interested design-build contractors, and have the Selection Committee, based on the criteria identified in the Pre-Qualification Package, identify the three best qualified design-build firms to participate in the second phase of the procurement process.

On May 21, 2019 (Item No. 94) the Board authorized RESD to release the Design-Build Request for Proposal (RFP) Package to the three, pre-qualified design-build contractors: Angeles Contractor, Inc., City of Industry, J.R. Abbott Construction, Inc. of Pasadena, and McCarthy Building Companies, Inc. of Newport Beach, in accordance with Public Contract Code Section 22160 et. seq. for the delivery of the Project. In addition, the Board approved the payment of honorariums in the amount of \$40,000 payable to the second and third ranked proposers for their participation in the entire Schematic Design Development process. Finally, the Board directed the Clerk of the Board to file the Notice of Exemption for the Project, as the Project had been determined to be categorically exempt from further review under Sections 15301 and 15302 of the California Environmental Quality Act (CEQA) Guidelines (Title 14, California Code of Regulations), which allows replacement or reconstruction of facilities with no change in use.

During the RFP process the following addendums were issued:

- Addendum No. 1 dated June 14, 2019, revised the proposal schedule due dates.
- Addendum No. 2 dated June 27, 2019, revised the proposal schedule due dates and responded to the Design-Builders' (DB) Request for Information (RFI's).
- Addendum No. 3 dated July 23, 2019, provided clarifications to the DB's questions.
- Addendum No. 4 dated August 1, 2019, instructed all DB to use creative design solutions to achieve the usable square footage requirements and provided clarifications to the DB questions.
- Addendum No. 5 dated August 13, 2019, revised the proposal schedule due dates.
- Addendum No. 6 dated August 19, 2019, provided the DB with instructions for access to the property.
- Addendum No. 7 dated August 29, 2019, revised the proposal schedule due dates and provided clarifications to DB's questions.
- Addendum No. 8 dated September 6, 2019, changed the proposal due date from September 18, 2019 to October 1, 2019.
- Addendum No. 9 dated September 12, 2019, provided clarifications to the DB's questions.

On October 1, 2019, RESD received Best and Final proposals from the three pre-qualified firms. A five person evaluation committee consisting of representatives from RESD and Public Defender conducted an evaluation to determine the selection of the successful design-build contractor based on the proposal that provided the "best value" to the County. The selection process included a presentation to the Evaluation Committee. Proposals and presentations received scores on Design-Build Team firm and individual qualifications, design, price, proposed implementation schedule, and value-engineering or value-added opportunities, as stated in the RFP. The successful firm, McCarthy Building Companies, Inc., of Newport Beach, California, received the highest overall rating due to design, proposed implementation schedule and price. On October 17, 2019, the unsuccessful proposers were notified of the denial of award, and were required by the RFP to respond in writing of their appeal of the selection within 5 working days of the receipt of the notification, and no appeals were received during or after the appeal period.

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RESD recommends the Board award the Design Build Agreement to McCarthy Building Companies, Inc., as the best value to the County for the 323 Building Acquisition and Remodel Project. Following Board approval of the contract, RESD will release the honorarium in the amount of \$40,000 each to Angeles Contractor, Inc., and J.R. Abbott Construction, Inc., as previously authorized by the Board.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Katherine Hardy, Deputy County Counsel, 387-5437) on January 16, 2020; Public Defender Office (Diana Lovelace, Chief of Administration, 382-3943) on January 16, 2020; Purchasing Department (Michelle Churchill, Buyer III, 387-2070) on January 17, 2020; Real Estate Services (Jennifer Costa, Assistant Director, 387-5000) on January 17, 2020; Finance (Wen Mai, Principal Administrative Analyst, 387-4020) on January 23, 2020; and County Finance and Administration (Matthew Erickson, County Chief Financial Officer, 387-5423) on January 27, 2020.
(BR: 771-1168)

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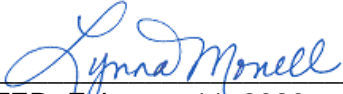
Record of Action of the Board of Supervisors
County of San Bernardino

APPROVED (CONSENT CALENDAR)

Moved: Robert A. Lovingood Seconded: Josie Gonzales

Ayes: Robert A. Lovingood, Janice Rutherford, Dawn Rowe, Curt Hagman, Josie Gonzales

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: February 11, 2020



cc: RESD/PMD- Wissert w/agree
Contractor- C/O RESD/PMD w/agree
File- w/agree /CD

la 02/21/2020