

COUNTY OF SAN MATEO
COUNTY MANAGER'S OFFICE

John L. Maltbie
County Manager/
Clerk of the Board

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June 2, 2017

City Manager George Rodericks
91 Ashfield Road
Atherton, CA 94027

Subject: **Animal Care Shelter update**

Dear George:

After many months of planning I would like to take this opportunity to update you on the status of the new Animal Care Shelter. It is anticipated we will break ground for the new Animal Care Shelter in August 2017, with an estimated opening in spring 2019.

In 2014, the amount agreed upon to complete the new Animal Care Shelter project was twenty million two hundred thousand dollars (\$20,200,000). All cities agreed that the County would advance the construction costs for this project on an interest-free basis. In the memorandum of agreement (attachment A #2), the parties agreed that if the project costs exceeded \$20,200,000 by 10 percent or more, the County will provide each City with the revised estimated construction costs *prior* to the cost being incurred.

During the Request for Proposal phase, two construction companies, Gonsalves Construction and F&H Construction submitted bids for the project. We were not surprised by the fact there was only two bidders given the current construction climate in the Bay Area and the relatively small construction contract for this building. The companies were approximately ten million dollars (\$10,000,000) apart on their project proposals. Comprehensive reviews and reference checks were conducted on both companies. A decision was made to enter into a contract with F&H Construction for nineteen million seven hundred thousand dollars (\$19,700,000).

Many design meetings were held with F&H Construction, the designer LDA Partners, LLP, Peninsula Humane Society & SPCA, San Mateo County Department of Public Health and the Project Development Unit. It was quickly discovered there was a need to increase the square footage in the cat areas, front office, spay and neuter lobby and much-needed storage. Through design team meetings with stakeholders, the square footage was increased by 4,890 sq. ft. at no additional cost to the project. We were able to achieve this size increase with no additional cost through several rounds of value engineering with the stakeholders. I believe all involved feel the current design will provide an outstanding building where the animals will be comfortably and safely housed, while also providing the necessary space for those employees who are in charge of the care and wellbeing of the animals.



Additionally, our County's Office of Sustainability provided the design team with new laws regarding Zero Net Energy (ZNE) that will impact the new Animal Care Shelter. According to the California Building Code, all new commercial construction must be ZNE starting in year 2030 and 50 percent of existing commercial building stock will need to be retrofitted to ZNE by year 2030. Both our electrical and mechanical subcontractors are working diligently to assist the County in meeting these standards. The implementation of ZNE should have a long-term impact on our overall operating expenses.

The impact to the final cost, if any, is unknown at this time. If the project cost exceeds 10 percent of \$20,200,000, the County will provide each City with a revised estimate prior to costs being incurred. The cost for the new facility, as agreed upon, will be allocated among the cities based on a formula, which will reflect each City's actual usage of the Animal Care Shelter Facility over a three-year period, as well as each City's population to date. The County will recalculate the cost per year using a three-year average.

Should you have any questions, please do not hesitate to contact me at 650-363-4129.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Callagy". The signature is fluid and cursive, with the first name "Mike" and last name "Callagy" clearly distinguishable.

Mike Callagy
Assistant County Manager