

**STAFF REPORT FOR CALENDAR ITEM NO.: 9
FOR THE MEETING OF: July 10, 2014**

TRANSBAY JOINT POWERS AUTHORITY

BRIEF DESCRIPTION:

Amending Contract No. 08-04-CMGC-000, authorizing Webcor/Obayashi Joint Venture (the CM/GC) to award a Trade Work subcontract to Olson and Company Steel as the responsible bidder submitting the lowest responsive bid in the amount of \$6,450,270 for TG07.5R: Metal Stairs and Ladders (TG07.5R), thereby increasing authorized Direct Costs by \$6,450,270, and increasing the authorized Construction Services Fixed Fee by \$490,221, under and in accordance with Contract No. 08-04-CMGC-000, Section 00 05 20, ¶5.01B.

EXPLANATION:

On November 5, 2013, the CM/GC issued a Request for Qualifications (RFQ) for TG07.5: Metal Stairs and Ladders. On December 3, 2013, eight firms responded to the RFQ. On December 11, 2013, a selection committee consisting of representatives from the TJPA, CM/GC, Construction Management Oversight (CMO) consultant and Program Management/Program Controls (PMPC) consultant reviewed and scored each firm's qualifications for technical merit. Based on its evaluation, the selection committee determined the following bidders to be qualified and free of conflicts of interest:

- C.E. Toland & Son
- Gayle Manufacturing Company, Inc.
- Glazier Iron Works, Inc.
- Kwan Wo Ironworks, Inc.
- NMI Industrial Holdings, Inc.
- Olson and Company Steel
- Shimmick Construction Company, Inc.
- Southwest Steel of California, Inc.

On January 30, 2014, the TG07.5 package was issued for bid. One bid was received on March 20, 2014 from Shimmick Construction Company, Inc., in the amount of \$9,560,000, which exceeded the CM/GC's estimate by \$5,686,427. The bid analysis determined that the bid price was not fair and reasonable and on March 26, 2014 the bid was rejected.

The CM/GC conducted additional contractor outreach and the bid package was reissued as TG07.5R on June 12, 2014. One additional bidder, Skanska Steel Constructors, submitted qualifications and was deemed qualified bringing the total number of pre-qualified bidders to nine.

The scope of work under this package includes constructing the metal stairs, railing and platforms in 16 locations. The major items of work for this package consist of the following:

- All metal stairs with all associated rails
- All metal landings with associated support framing, posts, base plates, metal deck and gates
- All metal plate stair treads and stair nosings
- All illuminated rails with undermount lighting
- All metal toe guards
- All metal ships ladders with railings, straight ladders with and without cages and platforms
- Elevator ladders, ladder security posts, gates and screens
- All embeds and attachments for this scope of work
- All priming, galvanizing, and other coatings for this scope of work
- All metal platforms
- All construction access stairs
- Repair of permanent stairs and associated rails

The main scope of work includes all labor, materials, equipment, tools, transportation, disposal fees, incidentals and any other costs/fees necessary to complete work in accordance with the Contract Documents. All necessary work from mobilization to handover to the next Trade Subcontractor is included in the bid items.

Bidders had the option of submitting value engineering (VE) proposals prior to the bid date. No VE proposals were submitted.

On June 26, 2014, two bids were received, opened and evaluated. Below is a summary of the bid result:

Bidder Name	Olson and Company Steel	Kwan Wo Ironworks, Inc.
Total Base Bid Amount	\$6,450,270	\$6,897,800
Additive Alternate No. 01: Lower Concourse and Train Platform Level Interim Stairs	\$1,100,000	\$1,099,800
Total Base Bid Plus Alternate	\$7,550,270	\$7,997,600

Olson and Company Steel submitted the lowest responsive bid, based on the total bid amount for the bid selection. The recommended award amount is \$6,450,270 for the base bid amount. Staff does not recommend accepting Additive Alternate No. 01, Lower Concourse and Train Platform Level Interim Stairs. This alternate was to provide interim (temporary) metal access stairs, railings and platforms for utility/service rooms between Phase 1 and Phase 2 timeframes. After Phase 2, permanent access would be provided. The TJPA staff and design team will work to provide more cost effective access to these rooms.

Olson and Company Steel's bid included 10.6% Small Business Enterprise (SBE) participation, meeting the 10% SBE goal on the package. Its bid included one SBE firm: NMI Industrial of Sacramento.

TJPA's budget for TG07.5R is \$1,947,722 (which includes \$18,610 in design contingency and \$151,546 in escalation), and the CM/GC's estimate is \$4,083,331. Consistent with the construction cost update mitigation plan presented to the Board at the May 8, 2014 Board meeting, the \$4,502,548 balance between the awarded amount and the current TG07.5R budget will be funded by using Program Reserve. The current available Program Reserve funding is \$52,694,068. After the award of TG07.5R, the remaining funding balance in the Program Reserves will be \$48,191,520. Olson and Company Steel submitted a balanced and reasonable bid. The major driver of the cost difference between the budget, CM/GC's estimate, and the bid submitted by Olson and Company Steel is the current active construction market in San Francisco and parts of the Bay Area, which is limiting the pool of bidders and significantly increasing construction costs.

No bid protests were received during the bid protest period, which ended on July 3, 2014.

The initial notice to proceed for this Trade Work subcontract is anticipated to be funded by land sales.

RECOMMENDATION:

TJPA staff recommends that the TJPA Board authorize amending Contract No. 08-04-CMGC-000, authorizing the CM/GC to execute a Trade Work subcontract with Olson and Company Steel as the responsible bidder submitting the lowest responsive bid in the amount of \$6,450,270 for TG07.5R: Metal Stairs and Ladders, thereby increasing the authorized Direct Costs by \$6,450,270, and increasing the authorized Construction Services Fixed Fee by \$490,221 (7.6% of Direct Costs of \$6,450,270), under and in accordance with Contract No. 08-04-CMGC-000, Section 00 05 20, ¶5.01B.

ENCLOSURES:

1. Resolution
2. Contract Modification

**TRANSBAY JOINT POWERS AUTHORITY
BOARD OF DIRECTORS**

Resolution No. _____

WHEREAS, On March 12, 2009, the Transbay Joint Powers Authority (TJPA) awarded a contract to Webcor/Obayashi Joint Venture as Construction Manager/General Contractor (the CM/GC) for the Transbay Transit Center Building and Related Structures (Contract No. 08-04-CMGC-000 or the Contract). Under the Contract, the CM/GC must competitively procure Trade Subcontractors. The Contract provides for the incorporation of Trade Packages by amendment to (a) authorize award of a Trade Work subcontract; (b) authorize the associated increase in allowable Direct Costs under the Contract; and (c) authorize the CM/GC to charge a Construction Services Fixed Fee on Direct Costs (Contract, Section 00 05 20, ¶5.01); and

WHEREAS, On June 12, 2014, the CM/GC issued an Invitation for Bids for TG07.5R: Metal Stairs and Ladders Package (TG07.5R) for the entire Transbay Transit Center Program to construct the metal stairs, railing and platforms in accordance with the Contract Documents; and

WHEREAS, Under TG07.5R, the Trade Subcontractor will perform all metal stairs, railing and platforms construction related activities for the entire Transbay Transit Center Program; and

WHEREAS, On June 26, 2014, two bids were received and opened publicly; and

WHEREAS, CM/GC and TJPA have determined that Olson and Company Steel is the responsible bidder submitting the lowest responsive bid, with a bid of \$6,450,270; and

WHEREAS, Funds for this Trade Work subcontract are available from land sales proceeds; now, therefore, be it

RESOLVED, That the TJPA Board of Directors authorizes the CM/GC to execute a Trade Work subcontract for TG07.5R with Olson and Company Steel as the responsible bidder submitting the lowest responsive bid in the contract amount of \$6,450,270; and be it

FURTHER RESOLVED, That upon award of the Trade Work subcontract to Olson and Company Steel, the Trade Work subcontract shall be deemed part of the Contract Documents under Contract No. 08-04-CMGC-000; and be it

FURTHER RESOLVED, That Contract No. 08-04-CMGC-000 is hereby modified to incorporate the authorized amount of Trade Work subcontract awarded to Olson and Company Steel for TG07.5R by increasing authorized Direct Costs by \$6,450,270, and increasing the authorized Construction Services Fixed Fee by \$490,221 (7.6% of Direct Costs of \$6,450,270) under and in accordance with Contract No. 08-04-CMGC-000, Section 00 05 20, ¶5.01B.

I hereby certify that the foregoing resolution was adopted by the Transbay Joint Powers Authority Board of Directors at its meeting of July 10, 2014.

Secretary, Transbay Joint Powers Authority

AGREEMENT
AMENDMENT NO. 34
BETWEEN
TRANSBAY JOINT POWERS AUTHORITY
AND
WEBCOR/OBAYASHI JOINT VENTURE

THIS AMENDMENT for AGREEMENT is entered into as of the _____ day of _____, 2014 by and between the TRANSBAY JOINT POWERS AUTHORITY (TJPA) and Webcor/Obayashi Joint Venture (the CM/GC). By this Amendment No. 34, the TJPA and the CM/GC hereby modify the Agreement dated March 17, 2009 (the Agreement), only to the extent expressly provided in this Amendment No. 34. All other terms and conditions of the Agreement shall remain in full force and effect.

Recitals

A. On March 12, 2009, the TJPA Board awarded the Agreement to the CM/GC to perform pre-construction and construction services for the Transbay Transit Center Building and Related Structures Project (the Project).

B. As detailed in the Agreement, the CM/GC is required to procure construction services through the award of Trade Packages, at which time TJPA shall adjust the value of the Contract Sum to reflect the amount of the awarded Trade Work Subcontract plus the proportionate CM/GC's Construction Services Fixed Fee in accordance with Article 5.01 of the Agreement.

C. The CM/GC issued an Invitation for Bids for TG07.5R, Metal Stairs and Ladders, on June 12, 2014, and received and publicly opened two bids on June 26, 2014.

D. Olson and Company Steel was the responsible bidder for TG07.5R Metal Stairs and Ladders submitting the lowest responsive bid in the amount of \$6,450,270.

Terms and Conditions

1. By this Amendment, the TJPA authorizes an increase in the CM/GC scope of work and the value of the Contract Sum by \$6,940,491 (Trade Package Direct Costs of \$6,450,270 and CM/GC Fixed Fee, calculated at 7.6 percent of Direct Costs, of \$490,221) and the award of Trade Work subcontract No. TG07.5R to Olson and Company Steel for performance of the construction of TG07.5R Metal Stairs and Ladders.

2. The detailed scope of work and schedule incorporated by this Amendment is provided in the Contract Documents dated January 23, 2014, and all associated Addenda.

IN WITNESS WHEREOF, the parties hereto have executed this contract Amendment No. 34 on the day first mentioned above.

TRANSBAY JOINT POWERS AUTHORITY

Maria Ayerdi-Kaplan
Executive Director

Transbay Joint Powers Authority
Board of Directors
Resolution No. _____
Adopted: _____
Attest:

Secretary, TJPA Board

Approved as to Form:

By: _____
TJPA Legal Counsel

WEBCOR/OBAYASHI, JOINT VENTURE

Authorized Signature

Printed Name

Title