

**STAFF REPORT FOR CALENDAR ITEM NO.: 10
FOR THE MEETING OF: June 9, 2011**

TRANSBAY JOINT POWERS AUTHORITY

BRIEF DESCRIPTION:

Amending Contract No. 08-04-CMGC-000, authorizing Webcor/Obayashi Joint Venture to award a Trade Subcontract to M Squared Construction Inc. as the responsible bidder submitting the lowest responsive bid in the amount of \$5,370,000 for TG04.2R: Auxiliary Water Supply System demolition and construction, and thereby increasing authorized Direct Costs under Contract No. 08-04-CMGC-000 (Section 00 05 20, Agreement, paragraph 5.01B) by \$5,370,000 and increasing the authorized Construction Services Fixed Fee by \$440,340.

SUMMARY:

- On February 4, 2010, the CM/GC issued a Request for Qualifications (RFQ) for the sewer, water and AWSS scope of work to be performed as part of the relocation of utilities. Sixteen qualification packages were received on March 11, 2010, and evaluated by a panel of CM/GC, TJPA, and PMPC staff. Relocation of utilities has been set aside for 100 percent Small Business Enterprise (SBE) participation. Seven SBE contractors were determined to be qualified. Seven additional contractors have qualified during the various bid periods for utility relocation packages, bringing the total qualified SBE contractors to 14.
- The scope of work is Auxiliary Water Supply System (AWSS) relocations and replacement on Mission Street between Second Street and Main Street and on Howard Street at First Street and at miscellaneous locations as shown on the contract documents.
- An Invitation for Bids (IFB) was issued on November 9, 2010. One addendum was issued during the bid period to clarify specifications and respond to questions from bidders. Two bids were received on December 3, 2010. However, both bids were rejected for non-responsiveness.
- A revised IFB was issued on January 10, 2011. Three addenda were issued during the bid period to clarify specifications, clarify and modify scope, and modify the bid date. Six bids were received and opened on May 12, 2011.
- Staff recommends awarding Trade Subcontract TG04.2R to M Squared Construction Inc. as the responsible bidder submitting the lowest responsive bid, in the total amount of \$5,370,000. Said amount includes a base bid of \$4,760,000, a \$350,000 allowance for premium costs to dispose of soil contaminated with hazardous material (either class I or class II), a \$60,000 allowance for systems shutdown and reactivation by the San Francisco Public Utilities Commission (SFPUC) as required, a \$100,000 allowance for San Francisco Department of Technology to pull wire as required, and \$100,000 allowance for Traffic Control by uniformed off-duty San Francisco Police Officers.
- M Squared Construction Inc. is an SBE, certified by the San Francisco Human Rights Commission. Five SBE sub-tier contractors are also included in the bid; this Trade Subcontract will have 100% SBE participation.
- This Trade Subcontract will be funded by the American Recovery and Reinvestment Act funding granted to the TJPA by the Federal Railroad Administration.

EXPLANATION:

Scope of Work

The scope of work is AWSS relocations and replacement on Mission Street between Second Street and Main Street and on Howard Street at First Street. Work includes demolition and replacement of existing high pressure water lines, fire hydrants, and hydrant laterals and miscellaneous valve replacements at various locations in the construction area and at Market Street and Second Street. The SFPUC will furnish and install all new valves associated with this scope of work. Sewer utility and domestic water systems are excluded from this package (under separate bid package).

Schedule

The time allowed for completion is 240 calendar days from issuance of notice to proceed to the Trade Subcontractor.

Invitation for Bids

An Invitation for Bids (IFB) was issued on November 9, 2010. One addendum was issued during the bid period to clarify specifications and respond to questions from bidders. Two bids were received on December 3, 2010. However, both bids were rejected for non-responsiveness.

The IFB was re-issued on January 10, 2011. The engineer's estimate for this scope was indicated at \$6,000,000. Three addenda were issued during the bid period to clarify specifications, clarify and modify scope, and modify the bid date. Six bids were received and opened on May 12, 2011.

Bids Received

On May 12, 2011, the TJPA received and opened six bids, as follows:

<u>Bidder</u>	<u>Bid Amount (Base Plus Allowances)</u>
1. M Squared Construction, Inc. 1278 20 th Avenue, Suite C San Francisco, CA 94122	\$5,370,000
2. Trinet Construction, Inc. 2560 Marin Street San Francisco, CA 94124	\$5,400,000
3. Synergy Project Management, Inc. 150 Executive Park Blvd. #4750 San Francisco, CA 94134	\$5,460,000
4. Azul Works 205 13 th Street, Suite 3138 San Francisco, CA 94103	\$5,750,500

- | | |
|---|-------------|
| 5. D.W. Young Engineering
333 Camille Avenue
Alamo, CA 94507 | \$6,365,459 |
| 6. Hernandez Engineering, Inc.
2601 Mission Street, Suite 215
San Francisco, CA 94110 | \$6,515,000 |

Bid protests against the lowest and second-lowest bidders were received from the third lowest-bidder, Synergy Project Management. TJPA, CM/GC, and TJPA legal counsel reviewed the protests, which claimed that the low bidders had not turned in required documents and were not properly qualified, and found the protests to be without merit.

As M Squared Construction Inc. was pre-qualified, CM/GC, TJPA and PMPC staff is satisfied that the company possesses the requisite experience to perform the scope of work for this subcontract. M Squared Construction Inc. complied with the instructions to bidders and submitted all required forms and certifications, including certification that it is signatory to a recognized apprenticeship and/or training program under Chapter 4 of the California Code, as certified by the State of California Division of Apprenticeship Standards.

M Squared Construction Inc. has also included an SBE participation of 100% in its contract bid, meeting the contract goal.

Environmental Review

Environmental review of the TJPA's utility relocation activities was completed in the Transbay Terminal/Caltrain Downtown Extension/ Redevelopment Project Final Environmental Impact Statement/Environmental Impact Report (EIR). AWSS demolition and construction on Mission Street was considered in the EIR as part of the project and mitigation measure Utility 1. The EIR discussed the need to permanently relocate utilities surrounding the Transit Center and adopted utility and construction mitigation measures to maintain and reduce the impacts associated with this work to less than significant levels. These measures will apply to the AWSS demolition and construction on Mission Street. There are no additional site-specific significant impacts on the environment. A more detailed discussion of environmental review for the project is on file with the TJPA.

RECOMMENDATION:

Staff recommends that the TJPA Board of Directors authorize amending Contract No. 08-04-CMGC-000, authorizing Webcor/Obayashi Joint Venture to award a Trade Subcontract to M Squared Construction Inc. as the responsible bidder submitting the lowest responsive bid in the amount of \$5,370,000 for the TG04.2R trade package: Auxiliary Water Supply System demolition and construction.

ENCLOSURES:

1. Resolution
2. Contract Amendment

**TRANSBAY JOINT POWERS AUTHORITY
BOARD OF DIRECTORS**

Resolution No. _____

WHEREAS, On March 12, 2009, the TJPA awarded a contract to Webcor/Obayashi Joint Venture as Construction Manager/General Contractor ("CM/GC") for the Transbay Transit Center Building and Related Structures (Contract No. 08-04-CMGC-000 (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 Subcontract, (b) authorize the associated increase in allowable Direct Costs under the Contract (Section 00 05 20, Agreement, paragraph 5.01), and (c) authorize the CM/GC to charge a Construction Services Fixed Fee invoiced at a rate of 8.2% of Direct Costs; and

WHEREAS, On January 10, 2011, the CM/GC advertised for bids for TG04.2R: Auxiliary Water Supply System demolition and construction ("TG04.2R"), which is part of the Transbay Transit Center Program and which involves the relocation of utilities necessary to facilitate construction of the Transbay Transit Center; and

WHEREAS, Under TG04.2R, the Trade Subcontractor will perform Auxiliary Water Supply System demolition and construction on Mission Street between Second and Main streets and on Howard Street at First Street, and valve work at various locations; and

WHEREAS, On May 12, 2011, six bids were received and opened publicly; and

WHEREAS, CM/GC and TJPA have determined that M Squared Construction Inc. of San Francisco, California, is the responsible bidder submitting the lowest responsive bid, with a bid of \$5,370,000; and

WHEREAS, Funds for this contract are available from the American Recovery and Reinvestment Act grant from the Federal Railroad Administration; and

WHEREAS, The time allowed for completion of the work under this contract is 240 calendar days after issuance of the Notice to Proceed; now, therefore, be it

RESOLVED, That the TJPA Board of Directors authorizes Webcor/Obayashi Joint Venture to award a Trade Subcontract to M Squared Construction Inc. as the responsible bidder submitting the lowest responsive bid in the amount of \$5,370,000; and be it

FURTHER RESOLVED, That upon award of TG04.2R, the Trade 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 Subcontract TG04.2R: Auxiliary Water Supply System demolition and construction on Mission Street between Second and Main streets, on

Howard Street at First Street and valve work at various locations, by increasing authorized Direct Costs under Contract No. 08-04-CMGC-000 (Section 00 05 20, Agreement, paragraph 5.01B) by \$5,370,000 and increasing the authorized Construction Services Fixed Fee by \$440,340.

I hereby certify that the foregoing resolution was adopted by the Transbay Joint Powers Authority Board of Directors at its meeting of June 9, 2011.

Secretary, Transbay Joint Powers Authority

AGREEMENT
AMENDMENT NO. 17
BETWEEN
TRANSBAY JOINT POWERS AUTHORITY
AND
WEBCOR/OBAYASHI, J.V.

THIS AMENDMENT for AGREEMENT is entered into as of the _____ day of June, 2011, by and between the TRANSBAY JOINT POWERS AUTHORITY ("TJPA") and Webcor/Obayashi, J.V. (the "CM/GC"). By this Amendment No. 17, the TJPA and the CM/GC hereby modify the Agreement No. 08-04-CMGC-000 dated March 17, 2009 (the "Agreement"), only to the extent expressly provided in this Amendment No. 17. 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, CM/GC is required to procure construction services through the award of Trade Packages, at which time the TJPA shall adjust the value of the Contract Sum to reflect the amount of the awarded Trade Work Subcontract plus the proportionate CM/GC Construction Services Fixed Fee in accordance with Article 5.01 of the Agreement.

C. The CM/GC issued an Invitation for Bids for TG04.2R: Auxiliary Water Supply System (AWSS) Demolition and Replacement on January 10, 2011, and received and publicly opened six (6) bids on May 12, 2011.

D. M Squared Construction Inc. was the responsible bidder submitting the lowest responsive bid in the amount of \$5,370,000, which consists of a base bid of \$4,760,000, a \$350,000 allowance for premium costs to dispose of soil contaminated with hazardous material (either class I or class II), a \$60,000 allowance for systems shutdown and reactivation from SFPUC as required, a \$100,000 allowance for San Francisco Department of Technology to pull wire as required, and \$100,000 allowance for Traffic Control by uniformed off-duty San Francisco Police Officers.

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 \$5,810,340 (Trade Package Direct Costs of \$5,370,000 and CM/GC Fixed Fee, calculated at 8.2 percent of Direct Costs, of \$440,340), and the award of Trade Subcontract No. TG04.2R to M Squared Construction Inc. for performance of TG04.2R: Auxiliary Water Supply System (AWSS) Demolition and Replacement.

2. The detailed scope of work and schedule incorporated by this Amendment is provided in the Invitation for Bid Documents dated January 10, 2011, and three associated Addenda as issued on February 3, 2011; April 1, 2011; and April 29, 2011.

IN WITNESS WHEREOF, the parties hereto have executed this contract Amendment No. 17 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:

TJPA Legal Counsel

WEBCOR/OBAYASHI, JOINT VENTURE

Authorized Signature

Printed Name

Title