

STAFF REPORT FOR CALENDAR ITEM NO.: 15
FOR THE MEETING OF: September 10, 2015

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 Concrete North, Inc. (Concrete North) as the responsible bidder submitting the lowest responsive bid in the amount of \$27,677,267 for TG07.6: Topping Slabs, Bus Crash Rail and Expansion Joints (TG07.6), thereby increasing authorized Direct Costs by \$27,677,267, and increasing the authorized Construction Services Fixed Fee by \$968,704, under and in accordance with Contract No. 08-04-CMGC-000, Section 00 05 20, ¶5.01B.

EXPLANATION:

On November 18, 2014, the CM/GC issued a Request for Qualifications (RFQ) for TG07.6. On January 22, 2015, nine firms responded to the RFQ. On February 9, 2015, a selection committee consisting of representatives from the TJPA, CM/GC, Construction Management Oversight 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:

- Concrete North, Inc.
- Gordon N. Ball, Inc.
- Joseph J. Albanese, Inc.
- Myers and Sons Construction, LP
- Shimmick Construction Company, Inc.
- S.J. Amoroso Construction Company, Inc.
- Urata & Sons Concrete, Inc.

On February 19, 2015, the TG07.6 package was issued for bid. A pre-bid conference was held on March 11, 2015. Five addenda to TG07.6 were issued during the bid period to provide clarifications, respond to bidders' questions, and provide updated specifications, drawings, and sketches. The addenda are briefly described as follows:

- Addendum #1 incorporated two Architect's Supplemental Instructions (ASI) into the IFC set: ASI 130 (updated drawings and specifications) and ASI 150-006 (Bus Ramps Link Beam Design Plans).
- Addendum #2 extended the bid date to April 30, 2015, from April 16, 2015, and extended the Questions on Bid Documents and Pre-bid Request for Substitution submission date to April 9, 2015, from March 26, 2015, at the bidders' request.
- Addendum #3 incorporated an updated Exhibit A – Trade Subcontractor Bid Package Manual and Forms – Contract 301000706, Addendum #3, dated April 17, 2015.
- Addendum #4 extended the bid date to May 7, 2015, from April 30, 2015, at the bidders' request.

- Addendum #5 was an administrative addendum to officially incorporate into the Contract Documents all responses to TG07.6 bidders' questions during the bid period.

The scope of work under this package includes providing concrete topping slabs over concrete structural slabs, concrete bus crash rail on the Bus Deck level perimeter, floor expansion joints and floor seismic joints. The major items of work for this package consist of furnishing and installing the following:

- all concrete topping slabs, integral footings, curbs, stem walls, ramps and all associated accessories
- all polished concrete
- concrete protection slabs over roofing/waterproofing
- concrete curbs and slabs at prefabricated buildings
- all mechanical and electrical equipment pads
- concrete bus crash rail on the Bus Deck level perimeter
- all floor expansion joints and seismic joints

The 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 hand over to the next trade subcontractor is included in the scope of work.

Bidders had the option of submitting value engineering (VE) proposals prior to the bid date. No VE proposals were submitted. On May 7, 2015, three bids were received, opened, and evaluated. Below is a summary of the bid results:

	Concrete North, Inc.	Shimmick Construction Company, Inc.	Urata & Sons Concrete, Inc.
Base Bid Amount	\$27,677,267	\$30,315,400	\$32,560,000

Concrete North submitted the lowest responsive bid based on its Base Bid amount of \$27,677,267. Concrete North's bid also included 88% Small Business Enterprise (SBE) participation, far exceeding the 20% SBE goal on the package. Concrete North's bid includes three SBE firms.

The TIPA's budget for TG07.6 had been \$9.13 million and the CM/GC estimate for TG07.6 is \$13.63 million. The major drivers of the cost difference between the CM/GC's estimate and the submitted bid prices are:

- Scope that was added to or shifted to this trade package from other trade packages and not accounted for in the estimate: \$5 million
- The unit cost used to estimate the cost of the expansion joints was not appropriate for the type of joints used for the Transit Center project: \$4 million
- Other factors including the below: \$5 million
 - A large project that consumes much of the bidder's capacity and limiting its opportunity to pursue other projects
 - Inefficiencies and low productivity rates assumed by bidder

- Perceived increased risk of a large public works project compared to a private owner project

Based on the determination that the Base Bid Amount is fair and reasonable and that this is a schedule-critical trade package, it is recommended to award this package now. In July, the Board similarly awarded four trade packages identified by the CM/GC as schedule-critical and funded the balance between the budgets for those trade packages and their award amounts by utilizing a significant portion of the budget allocated for remaining trade packages. Following that action, the budget for direct construction on the remaining trade packages is \$11,614,169. Staff recommends funding the TG07.6 award amount in the following manner:

\$11,000,000	from budget for remaining trade packages
\$ 6,000,000	from Program Reserve
<u>\$10,677,267</u>	from construction contingency
\$27,677,267	total award

Staff proposes utilizing an additional \$968,704 from Program Reserve to fund the CM/GC’s fee for this trade package—as the Board has been previously briefed, the CM/GC fee budget will require an increase due to the fact that direct costs have exceeded \$910 million. This increase will be incorporated into the revised Program budget presented later this fall. In the meantime, after award of TG07.6, the balance for direct construction on remaining trade packages will be \$614,169, for Program Reserve will be \$1,574,614, and construction contingency will be \$23,351,666.

No bid protests were received during the bid protest period, which ended on May 14, 2015. 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 Concrete North as the responsible bidder submitting the lowest responsive bid in the amount of \$27,677,267 for TG07.6: Topping Slabs, Bus Crash Rail and Expansion Joints, thereby increasing the authorized Direct Costs by \$27,677,267, and increasing the authorized Construction Services Fixed Fee by \$968,704, 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 invoiced at a rate of 3.5% of Direct Costs (Contract, Section 00 05 20, ¶5.01); and

WHEREAS, On February 19, 2015, the CM/GC issued an Invitation for Bids for TG07.6: Topping Slabs, Bus Crash Rail and Expansion Joints (TG07.6) for the Transbay Transit Center Program to construct the Topping Slabs, Bus Crash Rail and Expansion Joints in accordance with the Contract Documents; and

WHEREAS, Under TG07.6, the Trade Subcontractor will perform all topping slab, bus crash rail and expansion joint construction-related activities for the Transbay Transit Center; and

WHEREAS, On May 7, 2015, three bids were received and opened publicly; and,

WHEREAS, CM/GC and TJPA have determined that Concrete North, Inc. is the responsible bidder submitting the lowest responsive bid, with a Base Bid Amount of \$27,677,267; and

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

RESOLVED, That the TJPA Board of Directors authorizes the CM/GC to execute a Trade Work Subcontract for TG07.6 with Concrete North, Inc. as the responsible bidder submitting the lowest responsive bid in the contract amount of \$27,677,267; and be it

FURTHER RESOLVED, That upon award of the Trade Work Subcontract to Concrete North, Inc., 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 the Trade Work Subcontract awarded to Concrete North, Inc. for TG07.6 by increasing authorized Direct Costs by \$27,677,267, and increasing the authorized Construction Services Fixed Fee by \$968,704 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 September 10, 2015.

Secretary, Transbay Joint Powers Authority

AGREEMENT
AMENDMENT NO. 59
BETWEEN
TRANSBAY JOINT POWERS AUTHORITY
AND
WEBCOR/OBAYASHI JOINT VENTURE

THIS AMENDMENT for AGREEMENT is entered into as of the 10th day of September, 2015, by and between the TRANSBAY JOINT POWERS AUTHORITY (TJPA) and Webcor/Obayashi Joint Venture (CM/GC). By this Amendment No. 59, the TJPA and the CM/GC hereby modify the Agreement dated March 17, 2009 (Agreement), only to the extent expressly provided in this Amendment No. 59. 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 (Project).

B. As detailed in the Agreement, 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 TG07.6: Topping Slabs, Bus Crash Rail and Expansion Joint package on February 19, 2015, and received and publicly opened three bids on May 7, 2015.

D. Concrete North, Inc., was the responsible bidder submitting the lowest responsive bid in the amount of \$27,677,267.

Terms and Conditions

1. By this Amendment, TJPA authorizes an increase in the CM/GC scope of work and the value of the Contract Sum by \$28,645,971 (Trade Package Direct Costs of \$27,677,267 and CM/GC Fixed Fee, calculated at 3.5 percent of Direct Costs, of \$968,704) and the award of Trade Subcontract No. TG07.6 to Concrete North, Inc., for performance of the construction of TG07.6: Topping Slabs, Bus Crash Rail and Expansion Joints.

2. The detailed scope of work and schedule incorporated by this Amendment is provided in the Contract Documents dated December 16, 2014, and all associated Addenda.

IN WITNESS WHEREOF, the parties hereto have executed this contract Amendment No. 59 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