

**THIS STAFF REPORT COVERS CALENDAR ITEM NO.: 7
FOR THE MEETING OF: March 12, 2009**

TRANSBAY JOINT POWERS AUTHORITY

BRIEF DESCRIPTION:

Awarding Contract No. 08-04-CMGC-000, Construction Manager/General Contractor ("CM/GC") Services for the Construction of the Transbay Transit Center Building and Related Structures, to the joint venture of Webcor Builders and Obayashi Corporation as the qualified and responsible bidder submitting the lowest responsive bid, in an amount not to exceed Six Hundred Million Dollars (\$600,000,000), to be paid in conformance with the Contract terms and conditions in component amounts as follows:

1. For Pre-Construction Services, an amount not to exceed Five Million Four Hundred Ninety Thousand Dollars (\$5,490,000);
2. The actual cost of the premium for the Performance and Payment Bonds, the amount not to exceed Five Million Four Hundred Thousand Dollars (\$5,400,000); and
3. The Direct Costs of Phase I Construction Trade Packages, in amounts to be determined up to an estimated total amount of \$500,000,000; and
4. The CM/GC Markup of 7.81% on the actual Direct Costs of Construction.

SUMMARY:

- On July 8, 2008, the TJPA issued a Request for Qualifications (RFQ) for CM/GC Services for construction of the Transbay Transit Center and Bus Ramps. Following a two-step process, a Request for Proposals (RFP) was released on October 21, 2008.
- The scope of work of this project is to provide General Contractor services for the construction of the Transit Center Building and Bus Ramps and preconstruction services including design and constructability reviews, cost estimating and value management, outreach to and pre-qualification of subcontractors, and preparation of trade packages for bidding from the design documents prepared by the Architect.
- Three competitive cost proposals were received in response to the RFP and opened on February 12, 2009. Staff recommends awarding Contract 08-04-CMGC-000 to the joint venture of Webcor Builders and Obayashi Corporation as the responsible bidder submitting the lowest responsive bid.
- Bids were composed of three line items: (1) an average billing rate for preconstruction services for an estimated 45,000 hours of services, (2) the cost of payment and performance bonds to be reimbursed at the time the bonds are required, and (3) a markup on subcontractor construction trade proposals with a cumulative value of \$500,000,000. The Webcor/Obayashi, JV proposal included an average billing rate of \$122/hour for preconstruction services, a bonding cost of \$5,400,000, and a markup on subcontractor costs of 7.81%. The bids did not include the Direct Costs of Phase I Construction Trade Packages, which are to be determined, up to an estimated total amount of \$500,000,000.

EXPLANATION:

Scope of Work

The CM/GC will act as the General Contractor for the Phase 1 construction of the Transbay Transit Center as defined by the TJPA Board. The CM/GC shall also work closely with the TJPA's staff and other consultants in performing preconstruction services to assist in the development of the design and packaging and bidding of the construction work.

Pre-Construction Services:

The CM/GC will work with the Architect in reviewing the Schematic Design Documents, the Design Development Documents, and the Construction Documents to ensure an efficient design and construction. The CM/GC will participate in design decisions by providing information, estimates, schemes, and recommendations regarding construction materials, methods, systems, phasing, and costs that will provide the highest quality, energy conserving, and efficient building within the budget and schedule for the Project.

During the Pre-Construction Services Phase, the CM/GC will work closely with the TJPA and the Architect and provide input on lead times, pricing, procurement strategies and alternatives for materials and equipment; identify the recommended division of construction work into bid packages and order of bidding, and develop a detailed preliminary construction schedule; perform periodic reviews of evolving design and make suggestions with regard to means and methods of construction; provide constructability recommendations and guidance; assist the TJPA and Architect with time and cost control; identify phased construction opportunities and constraints; employ detailed constructability reviews and workshops including trade sequencing optimization, Architectural/Structural/MEP "clash detection" (using three dimensional Building Information Modeling ("BIM") technology), and recognition of and development of prefabrication/pre-assembly economies; monitor market conditions for Project with subcontractors and material suppliers to assess workloads, bonding capacity availability, and worker/mechanic availability and to develop interest in the Project and in bidding on the Work; and prepare a site use study to be used for allocation of space for storage, parking, and temporary facilities throughout construction phasing.

Construction Services:

The CM/GC will perform construction services for the Phase 1 construction of the Transbay Transit Center consistent with those of a general contractor and will coordinate and manage all construction work through subcontractors and provide construction administration and management services, including construction design value engineering/integration, construction management, contract administration, cost control, subcontractor procurement, scheduling, coordination, testing, shop drawing development, processing/review, and distribution of product warranties/related documentation, commissioning and startup, and project closeout.

Procurement Background

The RFQ was released on July 8, 2008. A pre-submittal conference was held on July 17, 2008, written questions regarding the RFQ were received until July 25, 2008, and qualifications were received on September 8, 2008. The qualification process is described in greater detail in the attached Selection Committee Report.

The RFP was issued on October 21, 2008. Six addenda to the RFP were issued extending the date for submitting proposals and modifying the bonding requirements, the Agreement and General Conditions in response to questions posed by the prequalified teams and discussions with surety providers.

The RFP was originally drafted to allow the TJPA at its sole discretion to add the Phase 2 scope of the Transit Center construction leaving indeterminate the ultimate value and period of construction services. In response to discussions with representatives of the surety industry and questions from Respondent CM/GCs, the terms of the RFP were modified to provide that any increase in the scope of construction beyond \$600,000,000 would be by mutual consent of the CM/GC and TJPA and to allow for new Payment and Performance Bonds for the scope of construction in excess of \$600,000,000.

Competitive Cost Proposals Received

On February 12, 2009, TJPA received and opened three cost proposals, with bid amounts for: proposed fee for pre-construction services (blended hourly rate), proposed fee for construction services (percentage), and bond premium. The proposals were as follows:

<u>Bidder</u>	<u>Bid Amount*</u>
1. Webcor Builders/Obayashi Corporation 950 Mariners Island Blvd., 7 th Floor San Mateo, CA 94404	\$49,940,000
2. Bovis Lend Lease/Turner Construction Company 71 Stevenson Street, Suite 800 San Francisco, CA 94105	\$68,999,416
3. Perini/Rudolph & Sletten/Tutor-Saliba/O&G 1600 Seaport Blvd. Redwood City, CA 94063	\$104,575,832

*The bids did not include the Direct Costs of Phase I Construction Trade Packages, which are to be determined, up to an estimated total amount of \$500,000,000.

Staff has reviewed the qualifications that were submitted by Webcor/Obayashi, and staff is satisfied that Webcor/Obayashi possesses the requisite experience and expertise to perform the scope of work for this contract. Webcor/Obayashi 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.

RECOMMENDATION:

Staff recommends that the TJPA Board of Directors authorize award of Contract No. 08-04-CMGC-000 to the joint venture of Webcor Builders and Obayashi Corporation, the lowest responsive and responsible bidder, in an amount not to exceed \$600,000,000), to be paid in conformance with the Contract terms and conditions in component amounts as follows:

1. For Pre-Construction Services, an amount not to exceed Five Million Four Hundred Ninety Thousand Dollars (\$5,490,000);
2. The actual cost of the premium for the Performance and Payment Bonds, the amount not to exceed Five Million Four Hundred Thousand Dollars (\$5,400,000); and
3. The Direct Costs of Phase I Construction Trade Packages, in amounts to be determined up to an estimated total amount of \$500,000,000; and
4. The CM/GC Markup of 7.81% on the actual Direct Costs of Construction.

ENCLOSURE:

1. Resolution
2. Selection Committee Report

**TRANSBAY JOINT POWERS AUTHORITY
BOARD OF DIRECTORS**

Resolution No. _____

WHEREAS, On January 17, 2008, the TJPA Board adopted Resolution No. 08-002 approving the use of Integrated Project Delivery for the Phase 1 Construction of the Transbay Transit Center and authorizing the Executive Director to issue a Request for Qualifications for a Construction Manager/General Contractor (CM/GC); and

WHEREAS, On June 20, 2008, the Transbay Joint Powers Authority (TJPA) issued a Request For Qualifications for TJPA Contract No. 08-04-CMGC-000, CM/GC Services for the Construction of the Transbay Transit Center Building and Related Structures, which is part of the Transbay Transit Center Program; and

WHEREAS, Under this Contract, the CM/GC will provide pre-construction services and construction services; and

WHEREAS, During the Pre-Construction Services Phase, the CM/GC will work closely with the TJPA and the Architect to most efficiently and cost effectively scope, design, bid and construct Phase 1 of the Transbay Transit Center; and

WHEREAS, The CM/GC will perform construction services consistent with those of a general contractor to coordinate, bid, and manage all construction work through subcontractors and provide construction administration and management services for the Phase 1 construction of the Transbay Transit Center; and

WHEREAS, On February 12, 2009, TJPA received and opened publicly three competitive Cost Proposals; and

WHEREAS, TJPA determined that the joint venture of Webcor Builders and Obayashi Corporation is the responsible bidder submitting the lowest responsive bid, with a bid of \$49,940,000 (not including Direct Costs of Phase I Construction Trade Packages); and

WHEREAS, The time allowed for completion of the work under this contract is 1,825 calendar days after issuance of the Notice to Proceed; now, therefore, be it,

RESOLVED, That the TJPA Board of Directors authorizes the award of TJPA Contract No. 08-04-CMGC-000, Construction Manager/General Contractor Services for the Construction of the Transbay Transit Center Building and Related Structures, Phase 1, to Webcor/Obayashi, JV, as the responsible bidder submitting the lowest responsive bid, in an amount not to exceed Six Hundred Million Dollars (\$600,000,000), to be paid in conformance with the Contract terms and conditions in component amounts as follows:

1. For Pre-Construction Services, an amount not to exceed Five Million Four Hundred Ninety Thousand Dollars (\$5,490,000);
2. The actual cost of the premium for the Performance and Payment Bonds, the amount not to exceed Five Million Four Hundred Thousand Dollars (\$5,400,000); and
3. The Direct Costs of Phase I Construction Trade Packages, in amounts to be determined up to an estimated total amount of \$500,000,000; and
4. The CM/GC Markup of 7.81% on the actual Direct Costs of Construction; and be it

FURTHER RESOLVED, That the TJPA Chief Financial Officer will certify the availability of funds for the Contract Sum over the course of the Contract, as the TJPA authorizes associated services for the component amounts.

I hereby certify that the foregoing resolution was adopted by the Transbay Joint Powers Authority Board of Directors at its meeting of March 12, 2009.

Secretary, Transbay Joint Powers Authority



Construction Management/General Contractor (CM/GC) Services for the Construction of the Transbay Transit Center Building and Related Structures Selection Committee Report

Executive Summary and Recommendation

In response to Request for Qualifications No. 08-04 for Construction Manager/General Contractor Services for the Construction of the Transbay Transit Center Building and Related Structures, issued on July 8, 2008, the TJPA received two submittals from joint ventures meeting all minimum qualifications on September 8, 2008. A selection committee convened on September 15, 2008 to evaluate the proposals. On September 25, 2008, the committee conducted oral interviews with the respondents and finalized its scoring.

Based on the criteria outlined in the RFQ, the selection committee determined that both Respondents were qualified to be invited to submit Competitive Cost Proposals (Proposals) via issuance of an RFP.

Prior to submission of Proposals, one of the qualified teams announced that they could not come to terms on a business agreement and would not submit a proposal. TJPA consequently amended the RFP to provide that any firm or firms could submit Proposals, subject to submitting qualifications responsive to the original RFQ upon TJPA request following the opening of Proposals.

In response to Request for Proposals No. 08-04, issued on October 21, 2008, the TJPA received three Proposals. The lowest cost Proposal was submitted by a joint venture of Webcor Builders and Obayashi Corporation. TJPA Staff and Program Staff subsequently evaluated the qualification submittal of Webcor/Obayashi, determined that the Respondent is well-qualified, and are recommending award of Contract No. 08-04 for CM/GC Services to **Webcor/Obayashi**.

Background

The TJPA desires to engage a firm or joint venture with expertise in construction and general contracting for major public facilities, including below-grade structures and above-grade roadway bridges, to provide preconstruction and general contractor services for the construction of a new Transbay Transit Center Building and Bus Ramps (Project). The Project shall include site utility relocation and construction of the new Building and Bus Ramps.

Schedule

RFQ Advertised/Posted July 8, 2008

1) Pre-submittal Conference	July 17, 2008
2) Qualification Statements Due/Received	September 8, 2008
3) Selection committee evaluation meeting	September 15, 2008
4) Interviews	September 25, 2008
5) RFP Issued	October 21, 2008
6) Pre-proposal Meeting	November 5, 2008
7) Additional Pre-proposal Meeting	December 8, 2008
8) Addenda 1 through 6 issued	Dec. 31, 2008 – Feb. 10, 2009
9) Proposals Due/Received	February 12, 2009
10) Low Bidder Qualifications Received	February 19, 2009
11) Low Bidder Qualifications Evaluated	February 20, 2009
12) Low Bidder Interviewed	February 24, 2009

Selection Committee Members

Robert Beck, Senior Program Manager, TJPA
Gerry MacClelland, Program Manager, TJPA Program Management/Program Controls
Kathy Mayo, Deputy Executive Manager of Transit System Development, BART
Edgar Lopez, Manager, Bureau of Project Management, SF Department of Public Works

RFQ Outreach

An announcement of the RFQ was published, and was also posted on the City Purchaser's Bids and Contracts website; a copy of the announcement is Attachment A. On the same day, the TJPA posted the RFQ on its website for the public to view and print and sent announcement of its availability to all who had registered for notice of this particular RFP or who had expressed interest in the procurements of this type. In total, the announcement was sent to 437 firms and individuals.

A pre-submittal conference was held on July 17, 2008, attended by 51 individuals. Written questions regarding the RFQ were received until July 25, 2008, and answers were posted on August 1, 2008. An addendum modifying the timing of submission of General Contractor License numbers was issued on September 2, 2008. The due date for qualifications was also pushed back from August 11 to September 8, 2008.

The TJPA received two submittals on the RFQ submission date, from:

- Clark Construction / Webcor Builders joint venture
- Bovis Lend Lease / Turner Construction Company joint venture

Selection Committee Evaluation

The selection committee met on September 15, 2008 to review the written submittals and evaluate strengths and weaknesses using the criteria listed on the score sheet (Attachment B). Following the discussion, each committee member individually filled out scoring sheets. The TJPA Contracts Compliance Manager collected the scoring sheets and tabulated the results. The scores are shown in Attachment C.

Both Respondents qualified under the requirements of the RFQ to participate in the remainder of the selection process and interviews were held with both teams on September 25, 2008. Following the interviews, each committee member individually filled out scoring sheets. The TJPA Contracts Compliance Manager collected the scoring sheets and tabulated the results. The scores are shown in Attachment C.

The request for Competitive Cost Proposals was issued to both qualifying Respondents on October 21, 2008.

Further Qualification Procedures

On December 17, 2008, TJPA received a letter from the joint venture of Clark Construction / Webcor Builders stating that the firms had made a decision not to pursue the conclusion of a joint venture agreement and thus would not be submitting a Proposal.

In the interest of full and open competition, TJPA then amended the RFP to invite Proposals from any qualified business entity. The relevant addendum stated that any Respondent not already pre-qualified by the TJPA would be required to submit a Qualification Statement in conformance with the original RFQ at the request of the TJPA within seven days of Proposal receipt. Notice of this change was sent to the 94 individuals who had registered for notices regarding this procurement, posted on the TJPA website, and posted on the City Purchaser's Bids and Contracts website. In addition to the Bovis Lend Lease / Turner Construction Company joint venture, two other entities submitted Proposals on the due date:

- Perini / Rudolph & Sletten / Tutor-Saliba / O&G joint venture
- Webcor Builders / Obayashi Corporation joint venture

Webcor / Obayashi submitted the lowest cost proposal and were requested to submit qualifications by February 19, 2009. Robert Beck and Gerry MacClelland evaluated and scored the qualifications; scores

are shown in Attachment C. On February 24, 2009, Mr. Beck and Mr. MacClelland interviewed the Webcor / Obayashi team and again scored the team, using the same criteria in the same weights as the initial RFQ scoring had been conducted.

All qualifications and proposals submitted in response to this RFQ/RFP are available for review at 201 Mission Street, Suite 2100 upon contacting the TJPA's Office Manager. Proposals will be retained for two years, except for the selected consultant's proposal which will be maintained on permanent record.

Attachments

Attachment A, RFQ Announcement
Attachment B, Scoring Sheets
Attachment C, Scores

Reference

Request for Qualifications No. 08-04 for Construction Manager/General Contractor Services for the Construction of the Transbay Transit Center Building and Related Structures issued by the Transbay Joint Powers Authority on July 8, 2008 and Request for Proposals No. 08-04 for Construction Manager/General Contractor Services for the Construction of the Transbay Transit Center Building and Related Structures issued by the Transbay Joint Powers Authority on October 21, 2008.

Attachment A

ANNOUNCEMENT REQUEST FOR QUALIFICATIONS

The Transbay Joint Powers Authority (TJPA) is issuing a Request for Qualifications (RFQ) for CONSTRUCTION MANAGEMENT/GENERAL CONTRACTOR SERVICES FOR THE CONSTRUCTION OF THE TRANSBAY TRANSIT CENTER BUILDING AND RELATED STRUCTURES for the Transbay Transit Center Program from business entities with expertise in construction management and general contracting for major public facilities including below-grade structures and above-grade roadway bridges.

An optional pre-submittal conference will be held on July 17, 2008, at 3:00 pm Pacific at the SFMTA Atrium Conference Room, 1 South Van Ness Ave., 4th Floor, San Francisco, CA.

Prospective Respondents may obtain copies of this RFQ by visiting the TJPA's website at www.transbaycenter.org or by contacting the TJPA at 201 Mission Street, Suite 1960, San Francisco, CA 94105, (415) 597-4620, CMGC@transbaycenter.org.

Submittal packages must be received by the TJPA no later than 5:00 p.m. on August 11, 2008. Late submittals will not be considered.

This announcement shall not create any legal rights or responsibilities. All terms of this offering shall be as set forth in the RFP and related materials. Without limiting the foregoing, any and all contracts will be contingent upon prior TJPA Board approval.

Attachment B

EVALUATION SCORE SHEET CM/GC RFQ

Name of Respondent: _____

Name of Panelist: _____

Signature of Panelist: _____

Criteria	Score	Reviewer Comment
<p><i>Introduction & Executive Summary (10 point maximum)</i></p> <ul style="list-style-type: none"> • Certifying statement, signed, obligating Respondent to representations in qualifications • Philosophy and approach to performing services 		
<p><i>Qualifications & Experience of Firm (60 point maximum)</i></p> <ul style="list-style-type: none"> • Satisfies minimum qualifications: <ul style="list-style-type: none"> ○ Hold a California State License Board “A” and “B” General Contractor’s Licenses ○ Not fewer than five completed complex structures acting as a CM/GC or CM-At-Risk, each with a construction cost in excess of \$350 Million, within the last 10 years ○ Not fewer than five completed projects involving below-grade public facilities with pedestrian access and five completed projects involving construction of facilities in dense urban environment within the last 10 years ○ Not currently debarred from performing public work • Meets any of the Additional Qualifications: <ul style="list-style-type: none"> ○ Demonstrated performance of high-quality construction on projects of architectural significance ○ Demonstrated ability to provide pre-construction services; work cooperatively/collaboratively with owner and design team ○ Demonstrated experience of completed projects involving roadway bridges 		

<ul style="list-style-type: none"> ○ Demonstrated ability to use and apply BIM (Building Information Modeling or 3-D modeling) technology ○ Demonstrated ability to deliver major projects on-time and within budget ○ Demonstrated financial capacity to perform the project including written assurance from a surety • Qualifications & Experience of Firm: <ul style="list-style-type: none"> ○ Firm description and summary of capabilities and experience in CM/GC with public works project emphasis ○ Respondent's approach to providing CM/GC services ○ How Respondent would tailor CM/GC services to meet TJPA needs ○ Evidence of financial capacity (financial statement review) ○ Written surety assurance ○ Proposed Staff for Pre-Construction Services ○ Any additional information demonstrating Respondent's qualifications to perform the services and successful completion of similar services for other public agencies ○ Any history of debarment of Respondent, officers, owners, principals or managers ○ Workers' Compensation Modification Rate, each of last five years ○ Dispute/Claim/Violation history (last five years) 		
<p><i>References (30 point maximum)</i></p>	<p>References to be scored after interviews</p>	

Total _____ (70 possible without references)

Attachment B

FIRM NAME:

PANELIST:

DATE:

**TRANSBAY JOINT POWERS AUTHORITY
INTERVIEW SCORE SHEET
CM/GC**

Evaluate and score presentations and interview responses based on the following criteria:

	<i>Description</i>	<i>Score</i>	<i>Notes</i>
1.	Presentation (20 minutes maximum) <ul style="list-style-type: none">• Understanding of Project scope• Management approach• Approach to pre-construction services• Team organization/quality of team members	10 pts max	
2.	Q&A <ul style="list-style-type: none">• Quality and directness of answers• Demonstrated leadership of key team member	10 pts max	
3.	Project Challenge <ul style="list-style-type: none">• Logic and creativity in addressing	5 pts max	
	References (unscored at written evaluation stage)	30 pts max	

TOTAL INTERVIEW SCORE (25 points max): _____

REFERENCES SCORE (30 points max): _____

Attachment C

SCORING OF ORIGINAL SUBMISSIONS

Evaluation Scores (100 points max with References)

Firm	Panelist 1	Panelist 2	Panelist 3	Panelist 4	Total Score	Average
Clark-Webcor	94	90	93	90	367	91.75
Bovis-Turner	86	80	85	80	331	82.75

Interview Scores (25 points max)

Firm	Panelist 1	Panelist 2	Panelist 3	Panelist 4	Total Score	Average
Clark-Webcor	25	23	23	23	94	23.5
Bovis-Turner	21	17	19	17	74	18.5

Average Totals (125 points max)

Must score 80% (100 pts) to move to second stage

Firm	Submittal	Interview	Total
Clark-Webcor	91.75	23.5	115.25
Bovis-Turner	82.75	18.5	101.25

SCORING OF SUBSEQUENT LOW-BID SUBMISSION

Evaluation Scores (100 points max with References)

Firm	Panelist A	Panelist B	Total Score	Average
Webcor-Obayashi	83	85	168	84

Interview Scores (25 points max)

Firm	Panelist A	Panelist B	Total Score	Average
Webcor-Obayashi	23	21	44	22

Average Totals (125 points max)

Firm	Submittal	Interview	Total
Webcor-Obayashi	84	22	106