

**THIS STAFF REPORT COVERS CALENDAR ITEM NO.: 7
FOR THE MEETING OF: January 13, 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 \$ **2,452,000** for TG04.1: Natoma Street from First Street to Fremont Street & Fremont Street between Natoma Street and Howard Street: water and sewer systems, and thereby increasing authorized Direct Costs under Contract No. 08-04-CMGC-000 (Section 00 05 20 Agreement, ¶5.01B), by \$ **2,452,000** and increasing the authorized Construction Services Fee by \$ **201,064**.

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 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, and seven SBE contractors were determined to be qualified. Four additional contractors have qualified during the various bid periods for utility relocation packages.
- The Invitation for Bids (IFB) was issued on November 9, 2010. Three addenda were issued during the bid period to clarify specifications and respond to questions from bidders.
- The scope of work is water and sewer utility relocations and replacement on Natoma Street from First Street to Fremont Street & Fremont Street between Natoma Street and Howard Street.
- Staff recommends awarding Trade Subcontract TG04.1 to **M. Squared Construction Inc.** as the responsible bidder submitting the lowest responsive bid, in the total amount of \$ 2,452,000. Said amount includes a base bid of \$ 2,082,000, a \$ 150,000 allowance for Soil Disposal Premium for Hazardous Material Class I, a \$ 60,000 allowance for Soil Disposal Premium for Hazardous Material Class II, a \$60,000 allowance for systems shutdown and reactivation from SFPUC as required and \$100,000 allowance for Traffic Control by uniformed off-duty San Francisco Police Officers. The total bid of \$2,452,000 is approximately 18% lower than the engineer's estimate of \$3,000,495.
- **M. Squared Construction Inc.** is an SBE, certified by the San Francisco Human Rights Commission and the California Department of General Services. Four SBE subcontractors are also included in the bid; this contract 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 under this package is water and sewer utility relocations and replacement on Natoma Street from First Street to Fremont Street & Fremont Street between Natoma Street and Howard Street. Work includes demolition and replacement of existing water lines, water laterals, fire hydrants and hydrant laterals along with installation of new fire hydrants and associated laterals. New sewer pipe and

manholes will be installed along with building sewer connections. Water and sewer service to adjacent buildings will remain active during construction.

Schedule

The time allowed for completion is 178 calendar days from issuance of notice to proceed to the Trade Subcontractor.

Invitation for Bids

The Invitation for Bids (IFB) was issued on November 9, 2010, noting that the engineer's estimate was \$3,000,495; including allowances for hazardous material soil disposal, systems shutdown and reactivation and traffic control by uniformed off-duty San Francisco Police Officers. Three addenda were issued during the bidding period to clarify and respond to bidder's questions. A pre bid conference was held on November 18, 2010. An additional pre-bid meeting was held on December 3, 2010 to review the bid documents and the bid date was extended to give all bidders the resources to bid the scope.

Bids Received

The original bid date of December 8, 2010 was delayed until December 10, 2010 at which time TJPA received and opened one bid, as follows:

<u>Bidder</u>	<u>Bid Amount (Base Plus Allowances)</u>
1. M. Squared Construction Incorporated 1278 20 th Avenue – suite C San Francisco, CA 94122	\$2,452,000

Webcor/Obayashi staff contacted all pre-qualified bidders via email and phone several times during the bid process once the qualification period closed, and held the additional pre-bid meeting which five contractors attended. Because the bidder could have reasonably expected that there would be competition, given the number of pre-qualified contractors and the number of pre-qualified contractors that attended the two pre-bid meetings, this is not a sole source procurement. The bid is also 18% less than the engineer's estimate.

As **M. Squared Construction Inc.** was pre-qualified, CM/GC, TJPA and PMPC staff are 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.

No bid protests were received.

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 \$ **2,452,000** for TG04.1: Natoma Street from First Street to Fremont Street & Fremont Street between Natoma Street and Howard Street: water and sewer systems.

ENCLOSURE:

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 (Agreement (Section 00 05 20), ¶5.01), and (c) authorize the CM/GC to charge a Construction Services Fee invoiced at a rate of 8.2% of Direct Costs; and

WHEREAS, On November 9, 2010, the CM/GC advertised for bids for TG04.1: Natoma Street from First Street to Fremont Street & Fremont Street between Natoma Street and Howard Street: water and sewer systems ("TG04.1"), 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 TG04.1, the Trade Subcontractor will perform water and sewer relocation work on Natoma Street from First Street to Fremont Street and Fremont Street between Natoma Street and Howard Street; and

WHEREAS, On December 10, 2010, One bid was received and opened publicly; and

WHEREAS, The bidder could have reasonably expected there to be competition given the number of pre-qualified contractors and thus this is not a sole source procurement; 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 \$2,452,000; 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 178 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 \$ 2,452,000; and be it

FURTHER RESOLVED, That upon award of TG04.1, 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 TG04.1: Natoma Street from First Street to Fremont Street & Fremont Street between Natoma Street and Howard Street, by increasing authorized Direct Costs under Contract No. 08-04-CMGC-000 (Section 00 05 20 Agreement, ¶5.01B), by \$ 2,452,000 and increasing the authorized Construction Services Fee by \$ 201,064.

I hereby certify that the foregoing resolution was adopted by the Transbay Joint Powers Authority Board of Directors at its meeting of January 13, 2011.

Secretary, Transbay Joint Powers Authority

AGREEMENT
AMENDMENT NO. 13
BETWEEN
TRANSBAY JOINT POWERS AUTHORITY
AND
WEBCOR/OBAYASHI, J.V.

THIS AMENDMENT for AGREEMENT is entered into as of the _____ day of January, 2011 by and between the TRANSBAY JOINT POWERS AUTHORITY ("TJPA") and Webcor/Obayashi, J.V. (the "CM/GC"). By this Amendment No. 13 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. 13. 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's Construction Services Fee in accordance with Article 5.01 of the Agreement.

C. The CM/GC issued an Invitation for Bids for TG04.1: Natoma Street from First Street to Fremont Street & Fremont Street between Natoma Street and Howard Street: water and sewer systems on November 9, 2010, and received and publicly opened one (1) bid on December 10, 2010.

D. **M. Squared Construction Incorporated** was the responsible bidder submitting the lowest responsive bid in the amount of **\$ 2,452,000**, which consists of a base bid of **\$2,082,000**, a **\$ 150,000** allowance for Soil Disposal Premium for Hazardous Material Class I, a **\$ 60,000** allowance for Soil Disposal Premium for Hazardous Material Class II, a **\$60,000** allowance for water systems shutdown and reactivation from SFPUC 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 **\$ 2,653,064** (Trade Package Direct Costs of \$2,452,000 and CM/GC Fee, calculated at 8.2 percent of Direct Costs, of \$201,064), and the award of Trade Subcontract No. TG04.1 to **M. Squared Construction Incorporated** for performance of TG04.1: Natoma Street from First Street to Fremont Street & Fremont Street between Natoma Street and Howard Street: water and sewer systems.

2. The detailed scope of work and schedule incorporated by this Amendment is provided in the Invitation for Bid Documents dated November 9, 2010 and all associated Addenda.

IN WITNESS WHEREOF, the parties hereto have executed this contract Amendment No. 13 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:

Dennis J. Herrera, City Attorney

By: _____
Deputy City Attorney

WEBCOR/OBAYASHI, JOINT VENTURE

Authorized Signature

Printed Name

Title