

**STAFF REPORT FOR CALENDAR ITEM NO.: 7
FOR THE MEETING OF: October 11, 2012**

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 Shimmick Construction Company, Inc. ("Shimmick") as the responsible bidder submitting the lowest responsive bid in the amount of \$111,770,900 for TG06.0 Structural Concrete Substructure, Waterproofing, Mechanical, Electrical and Plumbing (the "Below Grade Package"), and thereby increasing authorized Direct Costs by \$111,770,900 and increasing the authorized Construction Services Fixed Fee by \$9,165,213.80 under and in accordance with Contract No. 08-04-CMGC-000, Section 00 05 20, ¶5.01.

SUMMARY:

- On November 9, 2011 the CM/GC issued a Request for Qualifications ("RFQ") for the Below Grade Package scope of work to be performed as part of the construction of the Transbay Transit Center. Qualification packages were received on January 12, 2012 and evaluated on January 30, 2012 by a panel consisting of Brian Dykes (TJPA), Jeff Heath (CM/GC), Gary Krutsch (CMO) and Alfred Lau (PMPC). The following contractors were determined to be qualified and have no conflicts of interest:
 - Balfour Beatty Infrastructure, Inc.
 - Charles Pankow Builders, Ltd.
 - Kiewit Pacific Co.
 - Shimmick Construction Company, Inc.
 - Tutor-Saliba Corporation
- The Invitation for Bids ("IFB") was issued publicly on May 14, 2012. Four addenda were issued during the bid period as necessary to clarify information, respond to bidders' questions and provide updated specifications, drawings and sketches.
- The main scope of work for the Below Grade Package 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 Below Grade Package.
- A total of three bids were received and opened on September 14, 2012.
- Staff recommends awarding a Trade Work subcontract for the Below Grade Package to Shimmick as the responsible bidder submitting the lowest responsive bid, in the total amount of \$111,770,900. Said amount includes a base bid plus a 10b Traffic Officer allowance.

- Shimmick met the Small Business Enterprise (“SBE”) utilization goal of 17 percent in its bid, with SBE utilization of 18.1 percent. There are four SBE subcontractors under Shimmick.
- This Trade Work subcontract will be funded by the American Recovery and Reinvestment Act (“ARRA”) funding granted to the TJPA by the Federal Railroad Administration, bridge toll funds from the Metropolitan Transportation Commission, AC Transit capital contribution funds, and land sales.

EXPLANATION:

Scope of Work

The scope of work for the Below Grade Package includes constructing the Structural Concrete Substructure, Waterproofing, Mechanical, Electrical and Plumbing work as described in the Contract Documents. The major items of the work for this package are:

1. Concrete Protection Slab;
2. Waterproofing System;
3. Structural Concrete Substructure including rebar, dowels, couplers, anchor bolts, base plates, waterstops, seismic expansion joint, forms, supports, scaffoldings and all required hardware at the locations below:
 - a. Mat Slab including pits;
 - b. Concrete Foundation Walls in Platform Level;
 - c. Concrete Columns and Structural Walls in Platform Level;
 - d. Lower Concourse Slab;
 - e. Concrete Foundation Walls in Lower Concourse Level;
 - f. Concrete Columns and Structural Walls in Lower Concourse Level;
 - g. Vehicle/Bike Ramp Structure; and
 - h. Couplers for future work;
4. All Mechanical, Electrical and Plumbing (“MEP”) and telecommunication and connections required in the Contract Documents;
5. TG06.1 Geothermal Loop Package; and
6. TG06.2 Grounding System Package.

The scope of work will be completed sequentially and can generally be described by the following summary activities:

1. TG06.1 Geothermal Loop and TG06.2 Grounding Systems Trade Subcontractors install systems at the bottom of excavation (these two subcontracts are being novated to the TG06.0 Below Grade Package Trade Subcontractor);
2. TG03 Buttress, Shoring, Excavation Trade Subcontractor places mud slab (this work is subject to a separate Trade Work subcontract and not included in the TG06.0 Below Grade Package);
3. Installation of Waterproofing System;
4. Installation of Concrete Protection Slab;

5. Installation of Structural Concrete Substructure, including all embedded assemblies; and
6. Installation of Mechanical, Electrical, Plumbing, and Telecommunications and connections.

Schedule & Phasing

The Trade Subcontractor is required to meet the bid concept schedule based on a Notice to Proceed (“NTP”) issuance as specified in the Contract Documents. The Below Grade Package shall be completed as specified in the Contract Documents. The Trade Subcontractor shall coordinate its work with the CM/GC and all other trade subcontractors’ schedules and sequences for the construction of the below grade structure.

Invitation for Bids

The IFB was issued on May 14, 2012, noting that the engineer’s estimate was between \$65,000,000 and \$75,000,000. Four addenda were issued during the bidding period as necessary to clarify information, respond to bidders’ questions and provide updated specifications, drawings and sketches. The final detailed engineer’s estimate based upon revised plans and specifications issued via addendum was \$95,000,000.

Bids Received

On September 14, 2012, TJPA received and opened three bids, as follows:

| <u>Bidder</u> | <u>Bid Amount (Base Plus Allowances)</u> |
|-------------------------------------|--|
| Shimmick Construction Company, Inc. | \$111,770,900 |
| Tutor-Saliba Corporation | \$122,876,998 |
| Balfour Beatty Infrastructure, Inc. | \$185,477,640 |

Bid Protests

No bid protests were received.

Engineer’s Estimate and Bid Amount

The lowest bid is \$16,770,900 (17.5%) above the final detailed engineer’s estimate. More than 80% of the total cost in the various bid items consists of costs for concrete and rebar. There are approximately 94 thousand cubic yards of concrete and 28 million pounds of rebar in the below grade structure. Escalating costs for concrete and rebar over the next two years had a significant impact on the higher than estimated bid price for this contract. Moreover, in San Francisco there are only three ready mix concrete suppliers that can together provide the volume of concrete necessary for the Below Grade Package. During the past six months, seven large buildings have started construction in San Francisco and five more large projects are currently out to bid.

Staff does not recommend rebidding the Below Grade Package in light of the above information.

RECOMMENDATION:

As Shimmick met all project qualifications, the CM/GC and TJPA staff are satisfied that Shimmick possesses the requisite experience to perform the scope of work under the Below Grade Package. Shimmick complied with the instructions to bidders and submitted all required forms and certifications, including certification that it is a 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.

The TJPA staff recommends that the TJPA Board authorize amending Contract No. 08-04-CMGC-000, authorizing the CM/GC to award a Trade Work subcontract to Shimmick as the responsible bidder submitting the lowest responsive bid in the amount of \$111,770,900 for the Below Grade Package, and thereby increasing authorized Direct Costs by \$111,770,900 and increasing the authorized Construction Services Fixed Fee by \$9,165,213.80 under and in accordance with Contract No. 08-04-CMGC-000, Section 00 05 20, ¶5.01.

ENCLOSURES:

1. Resolution
2. Contract Amendment

**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 8.2% of Direct Costs (Contract, Section 00 05 20, ¶5.01); and

WHEREAS, On May 14, 2012, the CM/GC advertised for bids for TG06.0 Structural Concrete Substructure, Waterproofing, Mechanical, Electrical and Plumbing (the “Below Grade Package”), which is part of the Transbay Transit Center Program and which involves below grade work necessary to facilitate construction of the Transbay Transit Center; and

WHEREAS, Under the Below Grade Package, the Trade Subcontractor will perform all work in connection with construction of the below grade structure and waterproofing system; and

WHEREAS, On September 14, 2012, three bids were received and opened publicly; and

WHEREAS, The CM/GC and TJPA have determined that Shimmick Construction Company, Inc. (“Shimmick”), is the responsible bidder submitting the lowest responsive bid, with a bid price of \$111,770,900 and Small Business Enterprise (“SBE”) participation of 18.1 percent; and

WHEREAS, Funds for the Trade Work subcontract for the Below Grade Package are available from American Recovery and Reinvestment Act funding granted to the TJPA by the Federal Railroad Administration, bridge toll funds from the Metropolitan Transportation Commission, AC Transit capital contribution funds, as well as proceeds from the first expected land sale; now, therefore, be it

RESOLVED, That the TJPA Board of Directors authorizes the CM/GC to award a Trade Work subcontract to Shimmick as the responsible bidder submitting the lowest responsive bid in the amount of \$111,770,900; and be it

FURTHER RESOLVED, That upon award of the Trade Work subcontract to Shimmick, 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 to Shimmick for the Below Grade Package by increasing authorized Direct Costs by \$111,770,900 and increasing the authorized Construction Services Fixed Fee by \$9,165,213.80 under and in accordance with Contract No. 08-04-CMGC-000, Section 00 05 20, ¶5.01.

I hereby certify that the foregoing resolution was adopted by the Transbay Joint Powers Authority Board at its meeting of October 11, 2012.

Secretary, Transbay Joint Powers Authority

AGREEMENT
AMENDMENT NO. 24
BETWEEN
TRANSBAY JOINT POWERS AUTHORITY
AND
WEBCOR/OBAYASHI JOINT VENTURE

THIS AMENDMENT No. 24 is entered into as of the _____ day of _____, 2012 by and between the TRANSBAY JOINT POWERS AUTHORITY ("TJPA") and Webcor/Obayashi Joint Venture (the "CM/GC"). By this Amendment No. 24, 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. 24. All other terms and conditions of the Agreement shall remain in full force and effect.

Recitals

A. On March 12, 2009, the Transbay Joint Powers Authority Board of Directors (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 (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 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 Fixed Fee, all in accordance with Section 00 05 02, Paragraph 5.01, of the Agreement.

C. The CM/GC issued an Invitation for Bids for TG06.0 Structural Concrete Substructure, Waterproofing, Mechanical, Electrical and Plumbing (the "Below Grade Package") on May 14, 2012, and received and publicly opened three bids on September 14, 2012.

D. Shimmick Construction Company, Inc. ("Shimmick") was the responsible bidder submitting the lowest responsive bid in the amount of \$111,770,900, which consists of a Base Bid of \$110,270,900 plus a \$1,500,000 allowance for 10b Traffic Officer use.

Terms and Conditions

1. By this Amendment, the TJPA authorizes, under and in accordance with Section 00 05 20, ¶5.01, of the Agreement, an increase in the CM/GC scope of work and the value of the Contract Sum by \$120,936,113.80 (Trade Package Direct Costs of \$111,770,900 and CM/GC Construction Services Fixed Fee, calculated at 8.2 percent of Trade Package Direct Costs, of \$9,165,213.80), and the award of Trade Work subcontract No. TG06.0 to Shimmick for performance of the construction of the Below Grade Package.

2. The detailed scope of work and schedule incorporated by this Amendment is provided in the Construction Documents, including the Below Grade Package and all associated Addenda thereto.

IN WITNESS WHEREOF, the parties hereto have executed this contract Amendment No. 24 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