

**STAFF REPORT FOR CALENDAR ITEM NO.: 9
FOR THE MEETING OF: July 11, 2013**

TRANSBAY JOINT POWERS AUTHORITY

BRIEF DESCRIPTION:

Authorize the Executive Director to execute Amendment No. 1 to Agreement No. 12-01-CAST-000 (Agreement) between the Transbay Joint Powers Authority (TJPA) and Cast Connex Corporation (Cast Connex) to add new work scope and increase the existing budget of \$1,200,000 by \$510,000 to a total not-to-exceed lump sum budget of \$1,710,000 for engineering support and casting production oversight services related to the architecturally exposed structural steel cast nodes for the Transbay Transit Center Program (Program).

EXPLANATION:

On June 14, 2012, the TJPA Board of Directors approved an agreement with Cast Connex, with a not-to-exceed contract value of \$1,200,000, to furnish engineering and administration services for architecturally exposed structural steel cast nodes. Due to a long lead time production schedule for the cast nodes, the cast nodes were included in and synchronized with the scheduled award of Program's structural steel superstructure trade package TG07.1. However, the TJPA received a single bid in response to the TG07.1 IFB, which was approximately \$115,000,000 over the engineer's estimate. As a result of receipt of a single bid and its excessive value, the TJPA rebid the structural steel superstructure package as TG07.1R on April 29, 2013 and bids were received on June 20, 2013.

Prior to the rebid of the structural steel superstructure package on April 29, 2013, it was determined that the cast nodes were available from a single foundry in the United States. Given that the cast nodes were available from a single foundry (*i.e.*, a sole source), and in order to mitigate any delay to the Program's construction schedule due to delays in the procurement and the production of the cast nodes, the Board authorized Amendment #26 to the CM/GC contract at the May Board meeting, awarding production of the cast nodes to Bradken, Inc. Accordingly, production of the cast nodes was timely commenced in advance of the structural steel superstructure award. This resulted in a two month improvement in the Program's construction schedule and saved the TJPA \$2,500,000 in Trade Subcontractor mark-up costs.

However, because the cast nodes were procured under a separate contract and prior to the award of the structural steel superstructure package, Cast Connex was required to prepare cast node shop drawings without the benefit of the structural steel fabricator's welding procedure, which determines the bevel angles and internal and external nozzle machining requirements for each cast node. Consequently, once the structural steel contractor is under contract and the structural steel fabricator provides its welding procedure, Cast Connex will be required to prepare a second set of shop drawings detailing the machining requirements for the cast nodes. Because this second set of shop drawings was not anticipated and therefore not included in Cast Connex's original scope of work, the TJPA and Cast Connex have negotiated an additional lump sum fee

of \$30,000 for this additional work. The lump sum fee for this work is based on an additional six weeks of work at the contractually established rate of \$125/hour.

Additionally, Cast Connex's original scope of work required only intermittent oversight of the cast node production at the foundry on the basis that the bulk of the oversight would have been performed by the structural steel contractor. However, because the cast nodes have been procured directly by the CM/GC, the structural steel contractor will not be providing oversight services related to the cast node production. Instead, Cast Connex will provide these services, which will include on-site quality control services and inspection scheduling services throughout the two-year casting production period.

Cast Connex's staff will track and monitor the production of the cast nodes on a full-time basis, as well as regularly visit Bradken, Inc.'s steel foundries in Atchison, Kansas and Amite, Louisiana. Given the nature of casting manufacturing and the length of time that each step in the casting production takes, it is anticipated that Cast Connex will have a staff member at the foundries, on average, every two weeks. Cast Connex's foundry production oversight includes responsibility for determining when and at what frequency to mobilize CMO inspection services and establishing which types of testing and inspection are required to evaluate and confirm each foundry's performance. Accordingly, the TJPA and Cast Connex have negotiated an additional not-to-exceed lump sum value of \$480,000 for Cast Connex to provide such oversight services. Included in the not-to-exceed lump sum value of \$480,000 are production oversight labor hour costs of \$240,000 per year at the contractual rate of \$125/hour and all estimated travel-related costs. These costs, when coupled with Amendment #26 to the CM/GC contract for Bradken's cast node production services, still results in a lower price for the overall production costs for the cast nodes than set forth in the engineer's estimate and the CM/GC's estimate.

RECOMMENDATION:

Staff recommends that the Board of Directors authorize the Executive Director to execute Amendment No. 1 to the Agreement with Cast Connex Corporation for additional services for revised structural steel cast node shop drawings and cast node production oversight services.

ENCLOSURES:

1. Resolution
2. Amendment No. 1

**TRANSBAY JOINT POWERS AUTHORITY
BOARD OF DIRECTORS**

Resolution No. _____

WHEREAS, On April 17, 2012, the Transbay Joint Powers Authority (TJPA) issued a Request for Proposals (RFP) for professional engineering and administrative services for architecturally exposed structural cast steel nodes for the superstructure of the new Transbay Transit Center, and Cast Connex Corporation (Cast Connex) responded; and

WHEREAS, A Selection Committee evaluated the proposal for technical merit; and

WHEREAS, The TJPA Staff negotiated a Professional Services Agreement with Cast Connex for a not-to-exceed lump sum value of \$1,200,000 over a four-year period that was approved by the Board, commencing upon June 26, 2012, issuance of the first NTP; and

WHEREAS, Cast Connex has been providing satisfactory services; and

WHEREAS, The TJPA staff requires additional professional engineering and administrative services related to architecturally exposed structural steel cast nodes over the next two years that were not originally anticipated in the Agreement; and

WHEREAS, The TJPA staff recommends that Cast Connex's Agreement's not-to-exceed lump sum value of \$1,200,000 be increased by \$510,000 to a not-to-exceed lump sum value of \$1,710,000, which will allow Cast Connex to perform such additional work required by the TJPA; now, therefore, be it

RESOLVED, That the TJPA Board of Directors authorizes the Executive Director to execute the amendment for additional work scope to the Agreement for professional engineering and administrative services related to architecturally exposed structural steel cast nodes with Cast Connex and increase the Agreement's not-to-exceed lump sum value of \$1,200,000 by \$510,000 to a not-to-exceed lump sum value of \$1,710,000.

I hereby certify that the foregoing resolution was adopted by the Transbay Joint Powers Authority Board of Directors at its meeting of July 11, 2013.

Secretary, Transbay Joint Powers Authority

Agreement Amendment No. 1

This Amendment No. 1 to Agreement 12-01-CAST-000 entered into as of _____, 2013 by and between the Transbay Joint Powers Authority (“TJPA”) and Cast Connex Corporation (the “Consultant”).

Recitals

A. On April 17, 2012, the TJPA issued a Request for Proposals (“RFP”) for professional engineering and administrative services for architecturally exposed structural steel cast nodes (the Services) for the Transbay Transit Center Program.

B. On May 7, 2012, Consultant submitted a proposal in response to the TJPA’s RFP, which was reviewed by the TJPA’s Selection Committee and thereafter the Agreement was successfully negotiated with Consultant by the TJPA staff.

C. On June 14, 2012, the TJPA Board of Directors adopted Resolution No. 12-01, which authorized the Executive Director to execute an Agreement for said engineering and administrative services for architecturally exposed structural steel cast nodes by the Consultant for a term not to exceed four years and an amount not to exceed the lump sum value of \$1,200,000.

D. The TJPA now desires to add new work scope for the Consultant to perform, thereby increasing the budget under the Agreement.

E. The TJPA and Consultant intend that this Amendment No. 1 to the Agreement complies with the regulations of the United States Department of Transportation (“USDOT”).

Now, THEREFORE, the parties agree as follows:

Terms and Conditions

The Agreement between the TJPA and the Consultant, which was executed by the parties on June 14, 2012, is amended as follows:

The work scope specified in Attachment 1 to this Amendment No. 1 shall be added to the Agreement, Appendix A, Services. To accommodate this work scope set forth in Attachment 1, the Agreement’s not-to-exceed lump sum value of \$1,200,000 is hereby increased by \$510,000, bringing the Agreement’s total not-to-exceed lump sum value to \$1,710,000.

The Agreement’s not-to-exceed lump sum value of \$1,710,000 now also includes: (1) \$30,000 for an estimated 240 additional design man-hours at \$125/hour over a six-week period for the Consultant to prepare a second set of cast node drawings detailing cast node bevel angles and internal and external nozzle machining requirements based on the structural steel fabricator’s welding procedures; and (2) \$480,000 for increased oversight of

cast node production by Consultant at the contractual rate of \$125/hour, which includes cast node production oversight on a full-time basis, including visiting the foundries every two weeks, on average, to monitor cast node production geometry for structural steel connections, scheduling CMO inspections, and establishing testing and inspection requirements to evaluate and confirm foundry performance and all travel-related expenses to Bradken, Inc.'s foundries in Atchison, Kansas, and Amite, Louisiana, during the anticipated two-year cast node foundry production cycle.

All other terms, covenants, and conditions in the Agreement shall remain in full force and effect and shall be applicable to this Amendment.

The individuals executing this Amendment No. 1 to the Agreement represent and warrant that they have the legal capacity and authority to do so on behalf of their respective legal entities.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement Amendment No. 1 on the day first mentioned above.

TRANSBAY JOINT POWERS
AUTHORITY

CAST CONNEX CORPORATION

Maria Ayerdi-Kaplan
Executive Director

Carlos de Oliveira
President and Chief Executive Officer

Transbay Joint Powers Authority
Board of Directors
Resolution No. _____
Adopted: _____
Attest:

Cast Connex Corporation
366 Adelaide St. East, Suite 425
Toronto, Ontario Canada
M5A 3X9
Phone: (416) 806-3521

Secretary, TJPA Board

Federal Employer ID Number

Approved as to Form:

By _____
TJPA Legal Counsel

Attachment 1

Agreement 12-01-CAST-000, Amendment 1 to Appendix A

Consultant shall perform the following scope of work:

1. Revised Shop Drawings: Consultant shall revise all structural steel cast node shop drawings and provide 70 additional machining shop drawings to incorporate necessary changes to the Transbay Transit Center structural geometry certification identified by Thornton Tomasetti, Inc. and structural steel welding procedures to be developed by the superstructure structural steel fabricator. These services consist of ensuring that all issues pertaining to the connections of steel framing members to the structural steel cast nodes are resolved and incorporated into the Transbay Transit Center building information steel framing model to be issued to steel bidders for their welding procedures.
2. Casting Production Oversight Services: Consultant shall provide casting production oversight services consisting of tracking and monitoring steel foundry production on a full-time basis, with foundry visits every two weeks, on average, to conduct production oversight, schedule CMO inspections, and develop inspection and testing procedures.