

STAFF REPORT FOR CALENDAR ITEM NO.: 12
FOR THE MEETING OF: December 13, 2018

TRANSBAY JOINT POWERS AUTHORITY

BRIEF DESCRIPTION:

Authorizing the Director of Design & Construction for the Transbay Transit Center, SF Public Works, to execute a contract modification to the Bus Storage Facility Construction Contract (17-05-BSF-000) (the "Contract") with Ghilotti Construction Company, Inc. ("Ghilotti Construction Company") for additional construction services, increasing the contract value from \$21,608,720 up to \$24,708,720 (a potential total increase of \$3,100,000), to extend the substantial and final completion dates to October 1, 2018 and February 1, 2019, respectively, and to close-out the Contract. This Contract modification require Board approvals as it will increase both cost and time under the Contract in excess of the Executive Director's delegated authority to approve cost and time increases up to 10% of the awarded contract value and duration.

SUMMARY:

- On January 11, 2017, the TJPA issued an Advertisement for Bids for construction of the Bus Storage Facility project (the "Project"). The Project's scope of work included the construction of buildings (mobile modular and concrete masonry), site excavation and off-haul, paving and grading, a bus ramp and utility work. Traffic signal work and revisions to the overhead catenary system were also included in the Project.
- Three bids were received and opened on March 1, 2017.
- On March 9, 2017, the Transbay Joint Powers Authority's Board of Directors adopted Resolution No. 17-009 authorizing the Executive Director to execute Contract No. 17-05-BSF-000 for the Project with Ghilotti Construction Company as the responsible bidder submitting the lowest responsive bid in the amount of \$21,608,720, with a contract time of 281 working days.
- On October 1, 2018, Ghilotti Construction Company achieved substantial completion of the Project. Final Completion of the Project is schedule for February 1, 2019.
- After the award of the Contract, changes to Ghilotti Construction Company's scope of work occurred, including, but not limited to changes related to the disposal of contaminated materials in excess of Contract allowances, differing site conditions, changes to site improvements, additional right-of-way requirements and transit-oriented improvements.
- A final Contract modification is recommended to (1) increase the Contract value from \$21,608,720 up to \$24,708,720 to compensate Ghilotti Construction Company for all approved costs associated with the changes to the Project's scope of work; (2) extend substantial completion and final completion dates to October 1, 2018 and February 1, 2019, respectively; (3) close-out the Contract.
- The recommended Contract modification up to \$24,708,720 exceeds the Executive Director's delegated authority to approve contract modifications up to 10% of the awarded contract value and therefore Board approval of the recommended Contract modification is necessary.

- The recommended Contract modification to extend substantial completion and final completion dates to October 1, 2018 and February 1, 2019, respectively, exceeds the Executive Director's delegated authority to extend the Contract time up to 10% of the original Contract durations. No costs associated with the extended substantial completion and final completion dates are currently being claimed or are anticipated to be claimed by Ghilotti Construction Company.
- Funding for the recommended Contract modification will be provided through construction contingency utilizing City Financing proceeds. The Cost Review Committee (made up of the City Controller, MTC Executive Director, and TJPA Executive Director) has reviewed and concurred with the use of such proceeds.

EXPLANATION:

Base Contract Scope of Work

The Bus Storage Facility project was the last construction contract to be awarded for Phase 1 of the Transbay Transit Center Program. The Bus Storage Facility is located underneath the San Francisco-Oakland Bay Bridge West Approach in the block bounded by Second, Third, Perry and Stillman Streets, providing off-peak storage for up to 49 AC Transit buses. The base contract scope of work was completed on October 1, 2018. The major items of work include the following:

- AC Transit Administration Building: mobile modular structure with 1-hour-rated construction, with axles and fully sprinkled, measuring approximately 1,500 square feet (sf).
- Support Building: a concrete masonry structure measuring approximately 900 sf.
- Guard Booth: a pre-manufactured structure measuring approximately 50 sf.
- Site Excavation/Off-haul: site excavation and off-haul of material required to provide adequate head clearance for buses as well as the AC Transit Administration Building.
- Paving/Grading: finish grading and concrete and asphalt paving sections to accommodate bus traffic, as shown on the plans.
- Perimeter Retaining Walls/Sound Walls/Fencing: perimeter retaining walls in conjunction with concrete masonry unit sound walls required for the site in addition to metal fencing and operable gates at designated access points.
- Bus Link Ramp: a pre-stressed concrete box girder bridge spanning over Second Street, a cast-in-place reinforced concrete slab section, and retained earth roadway sections on each end, which connect the Bus Storage Facility to the bus ramp serving the Transbay Transit Center.
- Utility Work: plumbing, fire sprinkler, gas, electrical, communication, and sewer services for the buildings as well as site lighting, security, and CCTV systems.

Procurement History

On November 2, 2016, the TJPA issued a Request for Qualifications (RFQ) for construction services for the Bus Storage Facility. The following bidders were qualified and free of conflicts

of interest:

- Ghilotti Brothers, Inc.
- Ghilotti Construction Company, Inc.
- Gordon N. Ball, Inc.
- McGuire and Hester
- Shimmick Construction Company, Inc.

On January 11, 2017, the Bus Storage Facility construction services package was issued for bid. A pre-bid conference was held on January 18, 2017. On March 1, 2017, three bids were received, opened and evaluated. Below is a summary of the bid results:

	Ghilotti Construction Company, Inc.	Gordon N. Ball, Inc.	Shimmick Construction Company Inc.
Total BID Amount	\$21,608,720	\$22,036,200	\$24,217,000

On March 9, 2017, the Transbay Joint Powers Authority's Board of Directors adopted Resolution No. 17-009 authorizing the Executive Director to execute for the Project Contract No. 17-05-BSF-000 with Ghilotti Construction Company as the responsible bidder submitting the lowest responsive bid in the amount of \$21,608,720, with a contract time of 281 working days.

The original contract had a Small Business Enterprise (SBE) utilization goal of 18%. Ghilotti Construction exceeded this goal in its bid by including seven (7) SBE/DBE firms, achieving a 32% Small Business Enterprise (SBE) participation.

The original contract had an Apprentice Utilization percentage of 16.67% as per the Project Labor Agreement. Ghilotti Construction has exceeded that amount and is reporting over 20% apprentice utilization.

COST DRIVERS:

An increase in Ghilotti Construction Company's awarded contract value has been necessitated by additional work that Ghilotti Construction has been required to perform. The additional work was caused by the increase disposal of contaminated materials in excess of the Contract Allowance, out of scope transit-oriented improvements requested by AC Transit, differing site conditions, out of scope site improvements and additional right-of-way requirements.

The original contract work included allowances for excavation, off-haul, and disposal of contaminated materials. Soil sampling and analysis from preconstruction surveys estimated approximately 10% of excavated soils to contain contaminated materials consisting of Class 1 RCRA soil, Class 1 Non-RCRA soil and Class 2 soil (soils and fill containing various levels of hydrocarbons, lead and organics). Off-haul and disposal of contaminated soils increased from \$425,000 (6,200 tons) to \$1,400,000 (19,000 tons). Additional costs were attributable to added trucking and disposal site fees.

The following transit-oriented improvements were requested by AC Transit: I-80 merge, added traffic signage, added traffic control devices, added traffic markings, additional interconnectivity fiber from BSF to transit center, added low voltage outlets and added bus parking materials such as wheel stops and curbs. Additional costs for these changes total over \$520,000.

Differing site conditions included the following: unknown utilities, unknown foundations, utility conflicts, hard rock ground, and buried concrete. These differing site conditions were primarily subsurface and underground obstructions and were not shown on the Contract Documents and were not identified by any utility providers or previous construction work prior to Contract award. Total cost of these unforeseen additional costs is approximately \$224,000.

Site requirements to comply with agreements with SFMTA, SFPUC and within Environmental documents that were addressed with various Change Orders due to the late timing of such scope resolution being post-award. Site improvements included the following: 3rd Street civil improvements to exit BSF, Local street lighting additions, Harrison Street Gate, various pavements (bike facility installation and miscellaneous drainage) and replacement of damaged trees due to vandalism post-substantial-completion. Total cost of these site-required additional items is approximately \$725,000.

As the majority of the Bus Storage Facility project is within the State Right-of-Way, there were impacts to the State Facilities especially around the Bay Bridge Substation that were not identified through the Design review, but were included as part of Safety reviews performed by State personnel that required action to resolve. Right-of-way requirements included the following: added fencing, added freeway barriers, repair of high mast lighting electrical, and added backfill and paving associated with drainage. These right-of-way requirements were necessitated as a part of the encroachment permit conditions when working in the State right-of-way. Total cost of these additional items due to Caltrans operational requirements is approximately \$140,000.

The total amount of the five identified cost drivers above add up to \$2,584,000 of the total \$3,100,000 changes requested to complete the project. This leaves a remaining \$516,000 that can be collectively be identified as various impacts that needed to be addressed during the general course of construction such as neighbor impacts or Errors & Omissions.

CONCLUSION:

For the reasons set forth above, TJPA staff recommend Board approval of a Contract modification allowing the contract value to be increased from \$21,608,720 up to \$24,708,720 (a potential total increase of \$3,100,000) for additional costs associated with the disposal of contaminated materials in excess of the Contract allowance, out of scope transit-oriented improvements, differing site conditions, out of scope site improvements and additional right-of-way requirements.

TJPA staff also recommend Board approval of a Contract modification extending the substantial and final completion dates for the Project to October 1, 2018 and February 1, 2019, respectively.

The recommended Contract modification will also serve to close-out the Contract, as no claims associated with the Contract exist.

TJPA staff assumes that City Financing will fund the work associated with this Contract modification.

RECOMMENDATION:

TJPA staff recommends that the Board of Directors authorize the Director of Design & Construction for the Transbay Transit Center, SF Public Works, to execute a Contract modification to the Contract with Ghilotti Construction Company. The Contract modification shall (1) increase the Contract value up to \$3,100,000, from \$21,608,720 up to \$24,708,720; (2) extend the substantial completion and final completion dates to October 1, 2018 and February 1, 2019, respectively; and (3) close-out the Contract.

ENCLOSURES:

1. Resolution

**TRANSBAY JOINT POWERS AUTHORITY
BOARD OF DIRECTORS**

Resolution No. _____

WHEREAS, On January 11, 2017, the TJPA issued an Invitation for Bids for Contract No. 17-05-BSF-000 to construct the Bus Storage Facility (the "Project") in accordance with the Contract Documents; and

WHEREAS, On March 1, 2017, three bids were received and opened publicly, and staff determined that Ghilotti Construction Company, Inc., was the responsible bidder submitting the lowest responsive bid, with a bid of \$21,608,720 and a contract time of 281 working days; and

WHEREAS, On March 9, 2017, the Transbay Joint Powers Authority' Board of Directors adopted Resolution No. 17-009 authorizing the Executive Director to execute Contract No. 17-05-BSF-000 (the "Contract") with Ghilotti Construction Company, Inc. ("Ghilotti Construction Company") as the responsible bidder submitting the lowest responsive bid in the amount of \$21,608,720 and a contract time of 281 working days; and

WHEREAS, On October 1, 2018, Ghilotti Construction Company substantially completed the construction of the Bus Storage Facility in accordance with the Contract Documents; and

WHEREAS, Final completion of the Bus Storage Facility is expected to be achieved on February 1, 2019; and

WHEREAS, A contract modification is required to (1) increase the Contract value from \$21,608,720 up to \$24,708,720 (a potential total increase of \$3,100,000) to pay for additional costs due to the disposal of contaminated materials in excess of Contract allowances, differing site conditions, out of scope site improvements, additional right-of-way requirements and out of scope transit-oriented improvements; (2) extend the substantial completion and final completion dates to October 1, 2018 and February 1, 2019, respectively; and (3) close-out the Contract.

WHEREAS, Funds for this contract modification are available from City Financing with concurrence from the Cost Review Committee received; now, therefore, be it

RESOLVED, That the TJPA Board of Directors authorizes the Director of Design & Construction for the Transbay Transit Center, SF Public Works, to execute a contract modification under Contract No. 17-05-BSF-000 with Ghilotti Construction to (1) increase the Contract value from \$21,608,720 up to \$24,708,720 (a potential total increase of \$3,100,000) to pay for additional costs due to the disposal of contaminated materials in excess of Contract allowances, differing site conditions, out of scope site improvements, additional right-of-way requirements and out of scope transit-oriented improvements; (2) extend the substantial completion and final completion dates to October 1, 2018 and February 1, 2019, respectively; and (3) close-out the Contract.

I hereby certify that the foregoing resolution was adopted by the Transbay Joint Powers Authority Board of Directors at its meeting of December 13, 2018.

Secretary, Transbay Joint Powers Authority