

**STAFF REPORT FOR CALENDAR ITEM NO.: 11
FOR THE MEETING OF: March 10, 2011**

TRANSBAY JOINT POWERS AUTHORITY

BRIEF DESCRIPTION:

Amending Contract No. 08-04-CMGC-000, authorizing Webcor/Obayashi Joint Venture (CM/GC) to award a Trade Subcontract to M Squared Construction Incorporated as the responsible bidder submitting the lowest responsive bid in the amount of \$1,842,000 for TG04.6: Main, Beale, Howard, and Mission Streets: sewer and sludge systems, and thereby increasing authorized Direct Costs under Contract No. 08-04-CMGC-000 (Section 00 05 20 Agreement, Article 5.01B), by \$1,842,000 and increasing the authorized Construction Services Fee by \$151,044.

SUMMARY:

- On February 4, 2010, the CM/GC issued a Request for Qualifications (RFQ) for the sewer, water and auxiliary water supply system (AWSS) scope of work to be performed as part of the relocation of utilities. Relocation of utilities has been set aside for 100 percent Small Business Enterprise (SBE) participation. Thirteen SBE contractors have been pre-qualified to bid this scope of work.
- The Invitation for Bids (IFB) was issued on December 7, 2010. Two pre-bid meetings were held, and one addendum was issued during the bid period to revise the bid date and to issue modifications to the bid drawings.
- The scope of work is sludge line and sewer utility relocations and replacement on Beale and Main streets between Mission and Howard streets and on Mission and Howard streets between Beale and Main streets.
- Four bids were received and opened on January 14, 2011. Staff recommends awarding Trade Subcontract TG04.6 to M Squared Construction as the responsible bidder submitting the lowest responsive bid, in the total amount of \$1,842,000. Said amount includes a base bid of \$1,577,000 and the following four allowances: \$75,000 for Soil Disposal Premium for Hazardous Material Class I, \$30,000 for Soil Disposal Premium for Hazardous Material Class II, \$60,000 for systems shutdown and reactivation from SFPUC as required, and \$100,000 for Traffic Control by uniformed off-duty San Francisco police officers.
- M Squared Construction is an SBE, certified by the San Francisco Human Rights Commission and the California Department of General Services. Three SBE sub-tier contractors are also included in the bid; this Trade Subcontract will have 100% SBE participation.
- This Trade Subcontract will be funded by 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 sludge and sewer utility relocations and replacement on Beale and Main Streets between Mission and Howard Streets and on Mission and Howard Streets between Beale and Main Streets.

Work includes demolition of the existing sewer system and installation of new sewer pipe and manholes along with new building sewer connections. Work will be completed for demolition and replacement of existing sludge lines. Sewer service to adjacent buildings will remain active during construction.

Schedule

The time allowed for completion is 87 calendar days from issuance of notice to proceed to the Trade Subcontractor.

Invitation for Bids

The IFB was issued on December 7, 2010, with an engineer's estimate of \$1,700,000. This estimate was exclusive of the four allowances. The engineer's estimate plus the allowances is \$ 2,134,378.

Bidders are required to be pre-qualified. Sixteen qualification packages were received in response to the February 4, 2010 RFQ, and evaluated by a panel of CM/GC, TJPA, and PMPC staff. Seven SBE contractors were determined to be qualified following the RFQ period. Four additional contractors qualified during previous bid periods for other utility relocation packages. An additional two contractors were qualified during the TG04.6 bid period, bringing the total number of qualified SBE contractors to 13.

One addendum was issued during the bid period to revise the bid date, giving the bidders additional time to review the scope, and to issue modifications to the bid drawings. Two pre-bid meetings were also held, one specifically to walk through the drawings with the designer.

Bids Received

The original bid due date of January 7, 2011, was delayed until January 14, 2011, at which time the TJPA received and opened four bids, 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	\$1,842,000
2. Azul Works Incorporated 205 13 th Street, Suite 3138 San Francisco, CA 94103	\$2,022,000
3. Shaw Pipeline Incorporated 150 Executive Park Blvd., Suite 3790 San Francisco, CA 94134	\$2,310,250

4. Con-Quest Contractors Incorporated \$2,415,100
290 Toland Street
San Francisco, CA 94124

The low bid from M Squared Construction is 85 percent of the Engineer's Estimate.

As M Squared Construction was pre-qualified, CM/GC, TJPA and PMPC staff is satisfied that the company possesses the requisite experience to perform the scope of work for this subcontract. M Squared Construction 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.

M Squared Construction has also included SBE participation of 100% in its contract bid, meeting the contract goal for SBE participation of one hundred percent.

Bid Protests

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 as the responsible bidder submitting the lowest responsive bid in the amount of \$1,842,000 for TG04.6: sludge line and sewer utility relocations and replacement on Beale and Main Streets between Mission and Howard Streets and on Mission and Howard Streets between Beale and Main Streets.

ENCLOSURES:

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), Article 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 December 7, 2010, the CM/GC advertised for bids for TG04.6: Main, Beale, Howard, and Mission Streets: sewer and sludge systems (TG04.6), 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 TG04.6, the Trade Subcontractor will perform sludge line and sewer utility relocations and replacement on Beale and Main Streets between Mission and Howard Streets and on Mission and Howard Streets between Beale and Main Streets; and

WHEREAS, On January 14, 2011, four bids were received and opened publicly; and

WHEREAS, CM/GC and TJPA have determined that M Squared Construction of San Francisco, California, is the responsible bidder submitting the lowest responsive bid of \$1,842,000; 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 87 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 as the responsible bidder submitting the lowest responsive bid in the amount of \$1,842,000; and be it

FURTHER RESOLVED, That upon award of TG04.6, 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 TG04.6 by increasing authorized Direct Costs under Contract No. 08-04-CMGC-000 (Section 00 05 20 Agreement, Article 5.01B), by \$1,842,000 and increasing the authorized Construction Services Fee by \$151,044.

I hereby certify that the foregoing resolution was adopted by the Transbay Joint Powers Authority Board of Directors at its meeting of March 10, 2011.

Secretary, Transbay Joint Powers Authority

AGREEMENT
AMENDMENT NO. 14
BETWEEN
TRANSBAY JOINT POWERS AUTHORITY
AND
WEBCOR/OBAYASHI, J.V.

THIS AMENDMENT for AGREEMENT is entered into as of the _____ day of March, 2011, by and between the TRANSBAY JOINT POWERS AUTHORITY ("TJPA") and Webcor/Obayashi, J.V. (the "CM/GC"). By this Amendment No. 14 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. 14. 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 TG04.6: Main, Beale, Howard, and Mission Streets: sewer and sludge systems on December 7, 2010, and received and publicly opened four bids on January 14, 2011.
- D.** **M Squared Construction Incorporated** was the responsible bidder submitting the lowest responsive bid in the amount of **\$1,842,000**, which consists of a base bid of **\$1,577,000**, a **\$75,000** allowance for Soil Disposal Premium for Hazardous Material Class I, a **\$30,000** 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.

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 **\$1,993,044** (Trade Package Direct Costs of \$1,842,000 and CM/GC Fee, calculated at 8.2 percent of Direct Costs, of \$151,044), and the award of Trade Subcontract No. TG04.6 to **M Squared Construction Incorporated** for the performance of TG04.6.
- 2.** The detailed scope of work and schedule incorporated by this Amendment is provided in the Invitation for Bid documents dated December 7, 2010, and all associated addenda.

IN WITNESS WHEREOF, the parties hereto have executed this contract Amendment No. 14 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